



# **Daily Report—**

## **China**

**FBIS-CHI-95-072  
Friday  
14 April 1995**

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# Daily Report

## China

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## General

### Further on Foreign Ministry News Conference

#### Suicide Under Investigation

*HK1304140095 Beijing ZHONGGUO XINWEN SHE in Chinese 1309 GMT 13 Apr 95*

[FBIS Translated Text] Beijing, 13 Apr (ZHONGGUO XINWEN SHE)—This afternoon, Chen Jian, spokesman for the Ministry of Foreign Affairs, said at the news briefing that Wang Baosen, former executive vice mayor of Beijing, was suspected of being involved in illegal economic activities and that he committed suicide. The case is still being investigated.

Chen Jian revealed this when answering a question asked by a reporter.

Chen Jian said: Opposing corruption and promoting clean government is the consistent policy of the Chinese Government. State Council Premier Li Peng also stressed this in his government work report. This shows that the Chinese Government is determined to intensify law enforcement and carry the struggle against corruption through to the end.

#### Issues of Interest Discussed

*HK1304151095 Beijing ZHONGGUO XINWEN SHE in Chinese 1319 GMT 13 Apr 95*

[FBIS Translated Text] Beijing, 3 Apr (ZHONGGUO XINWEN SHE)—Qian Qichen, vice premier of the State Council and foreign minister, will attend the meeting on deliberating nuclear nonproliferation in New York on 18 April. During the meeting, Qian Qichen will meet with British Foreign Secretary Hurd. The two foreign ministers will exchange opinions on Sino-British bilateral relations, the Hong Kong issue, and affairs of common interest.

Recently, Li Teng-hui made a response to Jiang Zemin's eight-point initiative. A reporter asked, "What comments does the mainland side make on Li's talk?" Chen Jian answered, "We have noted Mr. Li Teng-hui's talk, but comprehensive comments on his talk should not be made by a spokesman for the Foreign Ministry. Here, what should be stressed is that the PRC Government constantly adheres to the principle of one China, and opposes 'two Chinas' or 'one China, one Taiwan.' This position remains unchanged."

A reporter asked, "U.S. Trade Representative Kantor revealed that China would return to the negotiating table in Geneva on China's participation in the World Trade Organization on 15 April. Does China affirm this?"

Chen Jian answered, "As for when to resume the talks on China's reentry to GATT, China indicated in the past that the timing of resuming the relevant talks would be decided through the multilateral consultations of the

China Group in Geneva after the comprehensive assessment of the positions of the signatory sides. According to the latest information, the chairman of the China Group proposed that the consultation be held in May. The Chinese side is considering this opinion."

In addition, the news briefing also announced the following information that at the invitation of President Jiang Zemin, President Amata Kabua of the Republic of the Marshall Islands will pay an official visit to China between 21 and 26 April. At the invitation of Vice Premier and Foreign Minister Qian Qichen, Flavio Cotti, chief of the Department of Foreign Affairs of the Swiss Confederation, will pay an official visit to China between 23 and 28 April.

#### 'Roundup' on U.S., Venezuela WTO Case

*OW1304172495 Beijing XINHUA in English 1640 GMT 13 Apr 95*

[“Roundup” by Ban Wei: “Venezuela, U.S. Disputes Pose First Test to WTO]

[FBIS Transcribed Text] Geneva, April 13 (XINHUA)—Three weeks after the end of a nine-month dispute over leadership, the World Trade Organization (WTO) is being put to its first test as a powerful world trade watchdog by a Venezuelan complaint that the U.S. standards for “cleaner” petrol discriminate against imports.

An independent panel was set up Monday [10 April] under the approval of a WTO disputes settlement body to investigate the case, first lodged by Venezuela with the General Agreement on Tariffs and Trade (GATT) last year.

Venezuela withdrew the case from GATT later and brought it up to WTO, which replaced GATT in January this year, in belief that the new trade body's disputes settlement system will ensure a better settlement of the row with the U.S., the world's most powerful economy.

Venezuela has complained that a U.S. Environmental Protection Agency (EPA) rule on the sale of “cleaner” petrol, or reformulated gasoline, in nine biggest U.S. Metropolitan areas, has discriminated against imports.

The EPA rule demands an immediate compliance with the new anti-pollution standards for imported gasoline beginning this year, which made a sharp contrast to a step-by-step approach required by domestic refiners.

Venezuela is hit hardest by the rule as the largest gasoline exporter to the United States.

The WTO panel is asked to put forward an investigation report in nine months, and the time allowed for this process, together with a ruling and its implementation, is limited to a maximum of 18 months, compared to what would have been several years during the time of GATT.

Under WTO rules, parties to a dispute can also appeal against panel rulings, but must eventually accept the WTO's decision and amend domestic legislation if required.

The Venezuelan-U.S. case has aroused interest among many WTO members as it presented the first test to WTO's streamlined procedure for settling trade disputes.

Smooth functioning of the disputes mechanism is seen as crucial in establishing the organization's authority and credibility in settling and administering fair trade rules.

Even before the establishment of WTO, the delayed approvals by the United States and some other trading powers of their entry into the organization had caused concerns about the future of the new world trade body.

Fearing a possible impingement of WTO rulings on the U.S. Domestic legislation, the U.S. Congress refused to approve Washington's WTO membership until the government agreed upon the establishment of a panel of judges to monitor dispute settlement procedures in the WTO, to see that the U.S. interests are protected.

Under the decision, the Congress would move to vote on whether the U.S. should stay in the world trade body if the judges find any three WTO decisions unfair within a five year period.

Many trade experts fear the U.S. practice could undermine dispute settlement provisions agreed under the Uruguay Round and will be followed by other countries.

A German research institute even claimed that WTO will still be weak facing major world trading powers.

It remains unknown if WTO will be as fair and powerful as is expected in policing world trade order, and some experts believe that its authority hinges on how much support it can muster from its member states.

#### **Envoy Addresses UN Peacekeeping Committee**

*OW1304232195 Beijing XINHUA in English 1902  
GMT 13 Apr 95*

[FBIS Transcribed Text] United Nations, April 13 (XINHUA)—Economic difficulty is a main cause of conflicts so that economic development is of great importance to maintaining peace and stability, said a Chinese representative to the Special Committee on Peace-Keeping Operations on Thursday [13 April].

Speaking at a committee meeting, Zhang Yan pointed out that "economic difficulty is also a main cause of conflicts in addition to ethnic strife and territorial dispute," especially in some developing countries.

Therefore, he said, "earnest promotion of economic development in developing countries, which is an indispensable measure in maintaining peace and stability, should also constitute an important means of preventive diplomacy."

Zhang emphasized that while paying attention to the maintenance of peace, the issue of economic development should never be neglected. "It is not only important but also pressing to discuss and finalize An Agenda for Development," he said.

#### **UN Extends Peacekeepers Mandate in Liberia**

*OW1304232295 Beijing XINHUA in English 2206  
GMT 13 Apr 95*

[FBIS Transcribed Text] United Nations, April 13 (XINHUA)—The UN Security Council on Thursday [13 April] decided to extend the mandate of the UN peace-keeping mission in Liberia until June 30.

The United Nations Observer Mission in Liberia (UNOMIL), is the first such UN mission undertaken in cooperation with a peace-keeping operation by another organization.

Established in September 1993 by the Security Council, UNOMIL works with the Economic Community of West African States (ECOWAS), a subregional organization, in assisting the Liberians to establish peace in the country.

In a unanimously adopted resolution, the Council expressed deep concern over the breakdown of cease-fire in Liberia.

The Council urged all Liberian parties to implement a cease-fire as they previously agreed and urged all states, neighboring states in particular, to comply with the embargo on all deliveries of weapons and military equipment to Liberia.

It also urged all parties to participate in a regional summit on Liberia, which was initiated by ECOWAS and aimed at seeking an appropriate way to resolve the issue.

Chinese UN envoy Li Zhaoxing said at the Council meeting that the key to the Liberian peace process was that all parties should implement their agreement, effect a cease-fire, and set up a Council of State as soon as possible.

He said that China supports the convening of the regional meeting on the question of Liberia.

#### **U.S.-DPRK Reactor Talks Adjourn**

*OW1404003495 Beijing XINHUA in English 2357  
GMT 13 Apr 95*

[FBIS Transcribed Text] Washington, April 13 (XINHUA)—The talks between the United States and the Democratic People's Republic of Korea (DPRK) on the issue of light-water reactors supplier adjourned today after two days of meetings in Berlin, the U.S. State Department announced.

However, before declaring a recess in the Berlin talks, the two sides agreed to resume their negotiations next

Tuesday [18 April], State Department spokesman Nicholas Burns told reporters.

Asked about the sudden break in the talks, the spokesman said that "there is no reason to think it's bad."

The U.S. delegation headed by Gary Samore, senior aide of U.S. chief negotiator with the DPRK Robert Gallucci, is reportedly returning to Washington to consult high-ranking officials.

There was no indication the U.S. delegation was able to persuade the DPRK delegation to drop its refusal to accept the South Korean reactors, the Associated Press said.

The United States and the DPRK have been at loggerheads over who should supply the DPRK the two reactors under a nuclear accord signed by the two countries last October.

Washington has been pressing Pyongyang to accept South Korean ones on the grounds that Seoul has agreed to pay a large share of the 4 billion U.S. dollars needed for the construction of the reactors.

However, the DPRK has repeatedly stated that it will not accept the South Korean reactors as they are unsafe technically.

The last round of negotiations between the United States and the DPRK were suspended two days of schedule in Berlin in late March. [sentence as received] The two sides said that they would study the new proposals for breaking the deadlock over the reactor supplier.

But neither side disclosed who put the new proposals and what were the new proposals.

### United States & Canada

#### Song Jian, U.S. Official Discuss Nuclear Safety

OW1304115995 Beijing XINHUA in English 1121  
GMT 13 Apr 95

[FBIS Transcribed Text] Beijing, April 13 (XINHUA)—Chinese State Councillor Song Jian said here today that China seeks broader cooperation with the United States in the area of nuclear safety.

Song, also minister in charge of the State Science and Technology Commission, made the remark in a meeting with Ivan Selin, chairman of the US Nuclear Regulatory Commission (NRC), and his party here this morning.

The US visitors arrived here yesterday on a visit as guests of the National Nuclear Safety Administration (NNSA) of China.

Discussing collaboration between the two sides in nuclear safety, Song said, "the Chinese government attaches great importance to nuclear safety."

As a governmental organization executing independently the function of safety regulation, NNSA has adopted international standards and practices and has successfully established nuclear safety regulation system, Song noted, adding that it has also licensed and regulated the country's civilian nuclear installations.

Since its creation some 10 years ago, the organization has been receiving assistance from the NRC, to which, Song expressed his appreciation.

"We hope that the two sides will conduct even broader collaboration" in nuclear safety, Song told Selin.

For his part, Selin noted the "good" cooperation between the two countries in the area of nuclear safety and expressed his pleasure with its steady growth.

The two sides should put their cooperation on a wider base and "broaden it to all areas" of nuclear safety, Selin said.

Also this morning, Selin had working talks with NNSA Director General Huang Qitao, who also briefed the US guests on the conditions of Qinshan Nuclear Power Plant and Guangdong Daya Bay Nuclear Power Plant.

"The overall conditions of the two nuclear power plants have been good since they were put into commercial operation last year," Huang said.

At present, "the two generating sets of the Daya Bay Nuclear Power Plant has been in outage for refueling and maintenance, and there is no question of safety," Huang said.

This afternoon, Ye Qing, vice-minister of the State Planning Commission, also met with Selin and his party.

#### U.S. Official Attends Center's Anniversary

OW1304162195 Beijing XINHUA in English 1357  
GMT 13 Apr 95

[FBIS Transcribed Text] Dalian, April 13 (XINHUA)—The United States is going to further its cooperation with China in management and information, according to visiting US Under-Secretary of Commerce Jeffrey Garten.

Garten, who came to China at the invitation of the Ministry of Foreign Trade and Economic Cooperation, made the remarks while attending the 15th anniversary of the Dalian Training Center of Scientific Management of Chinese Industry in Dalian, northeast China's Liaoning Province.

Garten and local leaders discussed investment possibilities by US businesses. He also discussed with Chinese officials about co-operation in management training.

China and the United States have many common goals, especially in developing human resources, he said. The U.S. will provide China with better information and

management projects, which will focus on developing curriculum, management training, and other forms of education.

### Sino-U.S. Relations Talks 'Sincere and Useful'

*OW1404070095 Beijing XINHUA in English 0652  
GMT 14 Apr 95*

[FBIS Transcribed Text] Washington, April 13 (XINHUA)—Senior Chinese and U.S. officials have agreed that Sino-U.S. relations not only involve the fundamental interests of the two countries and their people, but are also important to the peace, stability and development in the Asia-Pacific region and the rest of the world.

Chinese Vice Minister of Foreign Affairs Liu Huaqiu, U.S. Under Secretary for Political Affairs Peter Tarnoff, and Under Secretary for Arms Control and International Security Affairs Lynn Davis, held "sincere and useful" talks on bilateral relations and regional and world issues on Tuesday [11 April] and Wednesday respectively.

The two sides agreed that Sino-U.S. relations should be handled with a far-sighted and strategic view, while taking into account the world situation.

While the two nations shared extensive common interests, some differences do exist owing to their different national conditions, they acceded.

However, the two sides should pay greater attention to developing common interests, the officials of the two countries agreed.

China and the United States should make efforts to expand their common ground and overcome the differences, take practical measures to remove man-made obstacles so as to bring Sino-U.S. relations into an epoch of healthy, steady and all-round development on the basis of the three joint communiquees between the two countries at an early date, the officials agreed.

Tarnoff, on behalf of the U.S. Government, expressed condolences on the death of Chinese veteran leader Chen Yun, who died at the age of 90 on April 10.

On Monday, the Chinese vice foreign minister met U.S. Defense Secretary William Perry at the Pentagon.

Liu and Perry expressed satisfaction over the development of relations between the armed forces of the two nations and they agreed that increased contacts between the armed forces could contribute to the development of the two nations' all-round relations.

Liu came for vice foreign ministerial political consultations at Tarnoff's invitation. Both sides held that the consultations were sincere, positive and constructive and could add momentum to the improvement and development of bilateral relations.

### Northeast Asia

#### Murayama Receives Chinese Technologies Delegation

*OW1404110495 Beijing XINHUA Domestic Service in Chinese 1632 GMT 11 Apr 95*

[By reporter Huang Fengzhen (7806 7685 3791)]

[FBIS Translated Text] Tokyo, 11 Apr (XINHUA)—Japanese Prime Minister Tomiichi Murayama today met with Ye Zhengming, president of the Chinese Association for Promotion of Applied Technologies with Foreign Countries, who is visiting Japan, at the prime minister's official residence. The two sides held cordial and friendly talks.

During the meeting, Ye Zhengming described the association's ten year-old program of sending technicians to Japan to learn new techniques and technologies. He said that the association has sent more than 4,500 technicians to Japan and has thus cultivated a large technical cadre for China, and that the association has promoted the exchange of talented people between the two countries.

Prime Minister Tomiichi Murayama praised and supported the program, saying that it is part of friendly undertakings between Japan and China and will be conducive to promoting exchange and cooperation between the two countries.

Taking part in the meeting were Saburo Toida, member of the Japanese House of Representatives, and Han Qingyu, managing director of the Japan-China Science, Technology and Cultural Center.

#### More on Qiao Shi Visit to Tokyo

##### Feted by Amity Groups

*OW1404110395 Beijing XINHUA Domestic Service in Chinese 1243 GMT 12 Apr 95*

[By reporters Huang Fengzhen (7806 7685 3791) and Zhang Huanli (1728 3562 0448)]

[FBIS Translated Text] Tokyo, 12 Apr (XINHUA)—Seven Japanese-Chinese friendship organizations held a luncheon at the New Otani Hotel in Tokyo today to warmly welcome Qiao Shi, visiting chairman of the National People's Congress [NPC] Standing Committee of China, and his party.

Before the luncheon began, Qiao Shi and his party were met at the entrance of the banquet hall by Yoshiro Hayashi, chairman of the Diet Members' League for Sino-Japanese Friendship of Japan; Yoshio Sakuruchi, president of the Association for the Promotion of International Trade of Japan; Marahara Gotoda, president of the Japanese-Chinese Friendship Hall; Ryoichi Kawai, president of the Japan-China Association of Economy and Trade; Takashi Mukaibo, president of the Japan-China Society; Migaku Korehisa, representative of the

Japanese-Chinese Cultural Exchange Association; and Masao Shimizu, vice president of the Japan-China Friendship Association.

Yoshiro Hayashi, chairman of the Diet Members' League for Sino-Japanese Friendship, spoke first during the luncheon. He extended a warm welcome to Chairman Qiao Shi and his party on behalf of the Japanese organizations.

Yoshiro Hayashi said that over the more than two decades since the normalization of Sino-Japanese relations, the two countries have made remarkable achievements in exchange and cooperation in all fields. He believes that the achievements are the results of concerted efforts made by many personalities working for Sino-Japanese friendship.

Yoshiro Hayashi said, "The 50th anniversary of the end of the war occurs this year. The war 50 years ago was a miserable period in the history of Sino-Japanese relations. From now on, we should take a broad and long-term view, look ahead, and establish Sino-Japanese relations of a new type in conformity with the demands of the 21st century."

Yoshiro Hayashi spoke highly of China's reform, opening up, and economic development. He said, "At present, China is pursuing a policy of reform and opening up both politically and economically and undertaking a bold economic construction. It has scored remarkable success." He wished for Sino-Japanese friendly relations to grow, and Chairman Qiao Shi's visit to be a success.

In his speech, Chairman Qiao Shi thanked the friends in the Sino-Japanese friendship organizations for persistently having faith in and dedicating themselves to promoting Sino-Japanese friendship, and for their outstanding contributions to the normalization of Sino-Japanese relations, leading the relations towards a new stage of development.

Qiao Shi said: It is the 50th anniversary of victories of the Anti-Fascist World War and the Chinese people's War of Resistance against Japan this year. Since the normalization of Sino-Japanese relations, facts have proven that to correctly deal with the history of that period is an important part of the political foundation for bilateral relations, as well as an important precondition for the two countries to promote friendship from generation to generation in the future. He hoped that anyone with a sense of political responsibility in both China and Japan will seriously sum up and draw experiences and lessons from the history of that period so as to ensure a long, steady development of the bilateral good-neighborly and friendly relations.

Qiao Shi briefed his hosts on China's current political stability and sustained economic development. He said: The progress made by China in reform, opening up, and economic construction has added a new vitality to and

opened up broader prospects for the mutually beneficial cooperation between the two countries. We are willing to join our Japanese friends in making persistent efforts to ensure a long-term, stable development of bilateral relations and to promote the friendship between Chinese people and Japanese people. Ryoichi Kawai, president of the Japan-China Association of Economy and Trade, delivered an ebullient toast.

In the morning, Qiao Shi and his party visited Tokyo Metropolitan Government and Assembly Building and had a friendly conversation with Metropolitan Governor Junichi Suzuki and Assembly Speaker Norio Okuyama. In the past two days, Japanese Prime Minister Tomiichi Murayama, Speaker of the House of Representatives Takako Doi, Yoshiro Hayashi, and other Japanese friends expressed to Qiao Shi their deep condolences over the passing away of Chen Yun. Qiao Shi thanked them for their condolences.

#### Envoy Host Reception

OW1404101195 Beijing XINHUA Domestic Service in Chinese 1428 GMT 12 Apr 95

[By reporter Zhang Huanli (1728 3562 0448)]

[FBIS Translated Text] Tokyo, 12 Apr (XINHUA)—On 12 April, Chinese Ambassador to Japan Xu Dunxin hosted a reception at the Chinese Embassy in Japan to welcome Qiao Shi, National People's Congress Standing Committee chairman, and his entourage.

Some 600 people attended the reception party at invitation, including Takako Doi, speaker of the Japanese House of Representatives; Bunbei Hara, speaker of the Japanese House of Councillors; former Japanese Prime Minister Yasuhiro Nakasone; former Japanese Prime Minister Noboru Takeshita; Susumu Nikaido, former chief cabinet secretary of Japan; Yoshio Sakuruchi, former speaker of the Japanese House of Representatives; Makoto Tanabe, former Japanese Socialist Party chairman; Construction Minister Koken Nosaka; Banri Kaieda, Japanese House of Representatives member; Japanese friends of various circles; Jiang Yanglong, president of the Chinese Overseas Association in Tokyo; and Lu Xingxiong, president of the Chinese Overseas Association in Osaka.

During the reception party, friends of various circles cordially spoke with Chairman Qiao Shi and members of his party and wished Chairman Qiao Shi complete success in his current visit to Japan.

#### Meets Chinese Students

OW1404103995 Beijing XINHUA Domestic Service in Chinese 1541 GMT 12 Apr 95

[By reporter Zhang Huanli (1728 3562 0448)]

[FBIS Translated Text] Tokyo, 12 Apr (XINHUA)—This afternoon, Qiao Shi, Chinese National People's

Congress [NPC] Standing Committee chairman, held separate meetings in the Chinese Embassy with representatives of Chinese students and overseas Chinese from Tokyo and Yokohama. He also met with all employees of the Chinese Embassy in Japan.

During his meeting with Chinese student representatives, Qiao Shi said: Today, I am very glad to be able to meet you student representatives. I would like to extend my warm regards to you on behalf of the CPC Central Committee, the NPC Standing Committee, and the State Council. He expressed the hope that students would study hard to gain more knowledge abroad, and encouraged them to serve the motherland's construction.

During his meeting with overseas Chinese representatives, Qiao Shi said: Overseas Chinese in Japan have achieved substantial gains in their work, and made significant contributions to the motherland's four modernizations. In closing, Qiao Shi wished overseas Chinese success in their undertakings and happiness in their families.

#### Departs Tokyo for Nagoya City

*OW1404102395 Beijing XINHUA Domestic Service in Chinese 0743 GMT 13 Apr 95*

[By reporter Zhang Huanli (1728 3562 0448)]

[FBIS Translated Text] Tokyo, 13 Apr (XINHUA)—On 13 April, the Federation of Economic Organizations of Japan [Keidanren] hosted a luncheon at the Tokyo Hall to welcome Qiao Shi, Chinese National People's Congress Standing Committee chairman, and his delegation to Japan.

In a welcoming speech during the luncheon, Keidanren Vice Chairman Katsushige Mita said: In the Asia-Pacific region, which is called the center of world economic growth, China's economic development is particularly striking. Meanwhile, Japanese-Chinese relations have grown closer each year. After Hong Kong's reversion to China in 1997, trade and investment relations between Japan and China will undoubtedly expand further. The Japanese-Chinese relationship based on mutual dependence is developing. In the future, Japan will be more willing to contribute to China's economic construction.

Speaking on the results of Keidanren Chairman Shioichiro Toyoda's visit to China last year, Mita said: Japan and China can cooperate on many projects in the future. He expressed the hope that Japan and China would freely exchange their views on economic cooperation at today's luncheon.

In his appreciation speech, Qiao Shi recounted China's continued rapid economic growth and smooth progress in implementing various major reform measures last year. He said: "In China, Deng Xiaoping's theory on building socialism with Chinese characteristics and relevant policies have deeply taken root in people's minds. They are supported by people across the nation and have

become the practical actions of people throughout the country. This is an irreversible historical process. The Chinese people will steadfastly advance along this road."

Qiao Shi said, "China's economic development is inseparable from a peaceful international environment; it also requires assistance and cooperation from economically more developed countries. This kind of cooperation is favorable to China's economic construction and will no doubt bring benefits to those countries." Qiao Shi said emphatically, "Under no circumstances will China's economic development bring the slightest harm to any country in the Asia-Pacific region. On the contrary, China's sustained economic growth and increasingly closer integration into the world economy will play an important role in promoting economic development and prosperity in the Asia-Pacific region and even in the world." Qiao Shi expressed his hope that friends in Japan's economic circles would capitalize on the opportune moment to expand cooperation and raise economic cooperation between the two countries to a new level.

This afternoon, Qiao Shi and his entourage left Tokyo by bullet train for a goodwill visit to Nagoya City. Prior to his departure from Tokyo, Takako Doi and Bunbei Hara, respectively speakers of Japan's House of Representatives and House of Councilors, bid Qiao Shi a fond farewell at the guesthouse and wished his visit complete success.

#### 'Quite Satisfied' With Trip

*OW1304145295 Beijing XINHUA in English 1339 GMT 13 Apr 95*

[FBIS Transcribed Text] Nagoya, Japan, April 13 (XINHUA)—Visiting top Chinese legislator Qiao Shi said in Nagoya Thursday [13 April] he was "quite satisfied" with the first phase of his official trip to Japan.

Speaking at a dinner given in his honor by Aichi Prefecture at its capital city of Nagoya, Qiao said that common understanding has been reached on many issues during his talks with Japanese leaders and personages from various social strata.

Qiao, Chairman of the National People's Congress (NPC) Standing Committee, arrived at Nagoya late this afternoon after winding up his three-day stay in Tokyo. While in Tokyo, Qiao had formal meetings with leaders of Japanese Diet and Cabinet as well as businessmen, celebrities from non-governmental Japan-China friendship organizations and other Japanese politicians. He also called on the Emperor and the Empress.

As an important Japanese industrial centre, Aichi is well-positioned to further strengthen economic ties with China, Qiao said at the dinner.

#### Wu Bangguo Meets With Japanese Auto Executive

*OW1304133395 Beijing XINHUA in English 1236 GMT 13 Apr 95*

[FBIS Transcribed Text] Beijing, April 13 (XINHUA)—Chinese Vice-Premier Wu Bangguo met here this

evening with Tsuji Yoshifumi, President of the Nissan Motor Co. Ltd. of Japan and his party. They exchanged views on issues of common concern.

Minister of China's Machine-Building Industry He Guangyuan was present at the meeting.

The Japanese visitors arrived here today at the invitation of China's Ministry of Machine-Building Industry, and they are also scheduled to visit Nanjing.

#### DPRK's Yi Chong-ok Receives Liaoning Delegation

*OW1404044995 Beijing XINHUA Domestic Service in Chinese 1412 GMT 11 Apr 95*

[By reporter Ji Xinlong (1213 2450 7893)]

[FBIS Translated Text] Pyongyang, 11 Apr (XINHUA)—Yi Chong-ok, Vice President of the DPRK and member of the Political Bureau of the Workers' Party of Korea [WPK] met here with a Liaoning provincial goodwill delegation headed by Liaoning governor Wen Shizhen on 10 April. Yi said during the meeting that it is the firm policy and position of both the party and the government of Korea to continue to strengthen and develop the friendly relations between the peoples of the two countries.

Yi Chong-ok said: Korean-Chinese friendship was cemented with blood by the peoples of the two countries during the anti-imperialist struggle. The friendship has been developed with the attention of Chairman Mao Zedong, Premier Zhou Enlai, Comrade Deng Xiaoping, and other proletarian revolutionaries of the older generation. Korean leader Comrade Kim Chong-il attaches great importance to developing the traditional Korean-Chinese friendship. The friendly relations and friendship between the Korean people and the Chinese people will surely be developed.

Yi Chong-ok said: The DPRK and the PRC are connected by mountains and rivers. It is very important to develop the exchanges and cooperation between the two countries in economic, trade and other fields both at the central level and the regional level.

Wen Shizhen said that the Chinese side will make further efforts to develop bilateral economic and trade relations.

#### Hubei To Hold Trade Fair in Seoul

*OW1404033295 Beijing XINHUA in English 0320  
GMT 14 Apr 95*

[FBIS Transcribed Text] Wuhan, April 14 (XINHUA)—Central China's Hubei Province will hold a trade fair in Seoul, in the Republic of Korea (ROK), from May 30 to June 11, the Hubei Provincial Economic Planning Committee has reported.

At that time, provincial officials will head a delegation consisting of heads of major provincial industrial corporations to participate in the fair.

ROK has become China's seventh biggest trade partner since the two countries normalized their relations in 1993, but the bilateral cooperation in China is mainly concentrated on northeast China and around the Bohai Sea region.

The fair, the first to be held in ROK by the central Chinese province, is intended to showcase the special advantages of Hubei in building a gigantic water control dam at the Three Gorges on the middle reaches of the Chang Jiang River, as well as the development of an economic zone along the Chang Jiang, so as to attract more investors from ROK.

#### SPP Official Meets With ROK Counterpart

*OW1304132595 Beijing XINHUA in English 1236  
GMT 13 Apr 95*

[FBIS Transcribed Text] Beijing, April 13 (XINHUA)—Zhang Siquing, Procurator-General of China's Supreme People's Procuratorate (SPP), met here this evening with a delegation of the Supreme Public Procurator's Office from the Republic of Korea (ROK).

They talked on issues of common concern.

After the meeting, Zhang hosted a dinner in honor of the guests which is headed by the ROK Public Procurator-General Kim Do-Eun.

The three-member group arrived here today at the invitation of the SPP, and they will also visit Tianjin.

#### Near East & South Asia

##### PRC Premier Meets Israeli Finance Minister

*OW1204141195 Beijing XINHUA in English 1352  
GMT 12 Apr 95*

[FBIS Transcribed Text] Beijing, April 12 (XINHUA)—Chinese Premier Li Peng said here today that the Chinese government is ready to further develop friendly relations and co-operation with Israel, based on mutual respect, equality, and mutual benefits.

During a meeting with visiting Israeli Finance Minister Avraham Shohat, Li said that co-operation between China and Israel has gone well though it hasn't been long since the two countries established diplomatic ties.

Israel's president, prime minister, and foreign minister have all paid visits to China, Li said, adding that economic and trade ties between the two countries have also been strengthened.

Referring to Middle East affairs, Li said that China attaches importance to Israel's role in them. Some progress in the Middle East peace process has been made, which China welcomes and supports. China hopes that countries in the Middle East region will continue to make efforts for all-round progress in peace, he said.

Shohat briefed Li on the developments in the Middle East situation, and said that the Israeli government takes a positive attitude toward developing relations with China and looks forward to new progress in bilateral cooperation.

### Veteran Indian Communist Expelled From Party

*OW1404063095 Beijing XINHUA in English 0559  
GMT 14 Apr 95*

[FBIS Transcribed Text] New Delhi, April 14 (XINHUA)—Former Tripura chief minister and veteran Communist leader Nripen Chakraborty was expelled from the Communist Party of India (Marxist) for gross indiscipline and publicly slandering the party and the Left Front governments in West Bengal and Tripura.

The decision was announced by the freshly-constituted Politburo which met here Thursday [13 April].

Chakraborty, who has been a Communist Party member since 1935, was dropped from the highest decision-making body of the party at its recent 15th national congress.

Chakraborty, one of the important leaders of the party, had been indulging in gross indiscipline. After the formation of the Left Front government in Tripura state in 1993, he had been raising various questions about the political line of the party. He had also not been participating in the Politburo meetings where these could be collectively discussed.

As a result, he had been displaying extreme individualism which was against the basic principles of the collective functioning in a Communist Party, a CPI(M) statement said.

Since last year he has begun the practice of using newspapers to malign the party and its leaders, the statement said.

### Dispute Strands Chinese Buses in Pakistan

*OW1404034095 Beijing XINHUA in English 0313  
GMT 14 Apr 95*

[FBIS Transcribed Text] Islamabad, April 14 (XINHUA)—A total of 84 Chinese buses got stuck at the Karachi port in southern Pakistan as the concerned local companies refused to pay the tariff for them, sources told XINHUA today.

The buses were imported by Punjab Road Transport Corp. in Lahore and Karachi Transport Corp. with an interest-free loan from the Chinese government under an agreement signed between the two countries in May 14 during fiscal year 1993-1994.

The sources said the Pakistan government imposed tax on the buses as the tax policy changed during the current fiscal year (from July 1, 1994 to June 30 1995).

A total of 100 buses reached the Karachi port in January 18 this year, but only 16 of them have been cleared from the port, the sources said.

According to the agreement, the 100 buses should be cleared within 14 days of their arrival and be transferred to the Pakistani side within one month.

About eight Chinese experts, who have been staying in Karachi waiting for maintenance, adjustment and transfer of the buses, expressed their concern that these buses might be damaged in the open air if their clearance was further delayed.

### Pakistan Air Force Chief To Visit China

*OW1304032995 Beijing XINHUA in English 0254  
GMT 13 Apr 95*

[FBIS Transcribed Text] Islamabad, April 13 (XINHUA)—Pakistani Chief of the Air Staff Air Chief Marshal Muhammad Abbas Khattak [name as received] will pay a week-long official visit to China from April 22, local press reported here today.

Abbas Khattak will hold wide ranging talks with his Chinese counterpart as well as other senior Chinese officials, said the report.

The discussions will focus on furthering the cooperation between the air forces of the two countries.

Pakistan received six Karakorum-8 (K-8) jet trainer aircraft from China on January 25 this year to replace T-37 trainer fleet of Pakistani Air Force.

### West Europe

**Wu Yi Leaves for 5-Nation European Tour 14 Apr**  
*OW1404090795 Beijing XINHUA in English 0839  
GMT 14 Apr 95*

[FBIS Transcribed Text] Beijing, April 14 (XINHUA)—Minister of Foreign Trade and Economic Co-operation Wu Yi today left here on an official visit to five European countries in a bid to promote the all-round growth of economic ties and trade between China and Europe.

Wu is leading a Chinese government economic and trade mission and more than 150 entrepreneurs to visit Spain and Portugal. Besides, she will tour Ireland, Greece and Switzerland, and attend an international economic seminar in Winterthur.

Before her departure, Wu said in an interview with XINHUA that her visit is designed to "deepen mutual understanding and friendship, explore new ways for joint ventures and co-operation so as to take a new step in economic relations and co-operation between China and these European countries on the existing basis".

She noted that over the past few years China has enjoyed a good relationship with these five countries, and their economic co-operation and trade have progressed in varying degrees.

China highly values its ties with these countries, and desires to continuously develop such ties on the basis of equality and mutual benefit, she said.

At the same time, Wu said, these countries are interested in China's market, which is full of potential and hope.

The above countries have expressed their strong aspirations to actively expand economic co-operation and trade with China on many occasions and sent government economic and trade officials and entrepreneurs to China one after another.

All of these provide possibilities and favorable conditions for facilitating bilateral economic co-operation and trade, she added.

Wu said it is gratifying that shortly after the China visit by Spanish King Juan Carlos and Queen Reina Dona Sofia, Portuguese President Mario Soares and his wife came here for a visit, laying a good foundation for economic co-operation and trade between China and these two countries.

Statistics show that last year the volume of trade between China and Spain amounted to 1.65 billion US dollars-worth, a 63.8 percent increase compared with 1993.

Wu said the fine Sino-Portuguese political ties and their fruitful co-operation on the question of Macao have injected a new vitality into bilateral economic co-operation and trade, adding that in 1993 the volume of trade between China and Portugal was 110 million US dollars-worth, an all-time high.

Wu said that more than 150 entrepreneurs from China's 18 provinces and cities are accompanying her on the visit to Spain and Portugal.

They are taking with them more than 400 bidding items covering a wide range, such as machinery, light industry, fur processing, building materials, chemicals, textiles, communications, energy, electronics, foodstuffs, packaging and medical apparatus.

Wu also noted the growing economic co-operation and trade between China and Ireland, Greece, and Switzerland, adding that although the trade volume is still at a low level, the prospects are bright.

She expressed the belief that so long as the two sides join their efforts and overstep the limitations of traditional trade forms, open new channels and increase mutual investment, a new phase is bound to appear in their economic co-operation and trade.

On the whole, Wu said, the volume of trade between China and these five countries accounts for only small

proportion of that of China's total trade with European countries, and the scale of their economic co-operation is not large.

However, she said, it is her hope that this visit will be conducive to helping these five countries get a better understanding of China's political and economic situations, and the progress of its reform and opening up, as well as the tremendous market potential.

She welcomed more entrepreneurs from these countries to come to China for investment, business or co-operation so as to boost economic co-operation and trade between China and the European Union as a whole.

#### **Wen Jiabao Meets Austrian Party Official**

*OW1304125995 Beijing XINHUA in English 0800  
GMT 13 Apr 95*

[FBIS Transcribed Text] Beijing, April 13 (XINHUA)—Wen Jiabao, Alternate Member of the Political Bureau of the Central Committee of the Communist Party of China (CPC), met with a delegation of statesmen led by Fritz Koenig, group leader of the Austrian People's Party at the European Parliament, here this morning.

Wen, also Member of the Secretariat of the CPC Central Committee, said the contacts between Chinese and Austrian statesmen play an important role in enhancing friendly cooperative relations between the two countries.

Praising China's economic development, Koenig said this progress represents contribution to the peace in Asia and the world as a whole. Europe hopes China will continue its advancement, he added.

The Austrian visitors are here as guests of the International Liaison Department of the CPC Central Committee.

#### **Qian Qichen Holds Talks With Icelandic Leaders**

*OW1404014795 Beijing XINHUA in English 0105  
GMT 14 Apr 95*

[FBIS Transcribed Text] Reykjavik, April 13 (XINHUA)—Visiting Chinese Foreign Minister Qian Qichen today held talks respectively with Icelandic Prime Minister David Oddson and Foreign Minister Baldwin Hannibalsson on bilateral relations as well as international issues of mutual interest.

Oddson said that Sino-Icelandic relations have never been so good at present following a series of visits to China by him and other high-ranking Icelandic officials last year.

He told Qian that the opening of the Icelandic embassy in Beijing was a major step of the Icelandic government to further enhance his country's relations with China.

Qian said that China also has a strong desire to strengthen relations with Iceland. There is no obstacles

whatsoever in further developing the already very good relations between the two countries, he added.

And he pointed out that the forthcoming visit to China by Icelandic President Vigdís Finnbogadóttir this August should be viewed as a very important event in the history of Sino-Icelandic relations.

During his talks with Hannibalsson, Qian said that the two countries have not only kept good political relations, but their economic, scientific and cultural cooperation has also been developing steadily.

China has a very strong desire to further promote economic ties with Iceland and is willing to explore new ways of cooperation with Iceland, he said.

Iceland has rich experience and advanced technology in fishing industry and fish product processing as well as in developing geothermal resources, and China has much to learn from Iceland in these fields, he added.

Hannibalsson said China has achieved great success in developing its economy in recent years as a result of reform and "open door" policy.

That will benefit not only China but also other countries in the world, he commented.

Iceland attaches great importance to its economic ties with China and has a realistic aspiration in this respect, he said.

Qian, the highest ranking Chinese official ever to visit Iceland, arrived here on Wednesday [12 April] for a four-day visit at the invitation of Hannibalsson.

The island state is the last leg of Qian's six-nation European tour which has also taken him to Latvia, Moldova, the Republic of Slovakia, Bulgaria and Yugoslavia.

#### Netherlands Trade Minister Sees Shanghai Group

*OW1404053895 Beijing XINHUA in English 0454  
GMT 14 Apr 95*

[FBIS Transcribed Text] Haren, The Netherlands, April 13 (XINHUA)—Dutch Foreign Trade Minister Annicke Van Dok said here today that the Dutch government will further strengthen its economic and trade cooperation with China.

The Dutch minister made the remark during a trade talk with a visiting Shanghai trade delegation in the northern city of Haren.

She said the Netherlands will take measures to encourage its small- and medium-sized enterprises to invest in China.

She said she believed such ventures would contribute to strengthening understanding and cooperation between the two countries.

#### President Discusses Human Rights, Timor Issue

*BR1304143695 Lisbon DIARIO DE NOTICIAS in Portuguese 12 Apr 95 p 6*

[Report by J. Fragoso Mendes: "East Timor at Dinner"]

[FBIS Translated Excerpt] [passage omitted] With respect to the sensitive issue here of human rights, the Portuguese president revealed that Jiang Zemin was pleased with the fact that a dialogue had been opened between the European Union and China on this issue, a dialogue to which "Portugal could naturally contribute."

The Chinese president said that his country was not opposed to a dialogue on the issue since it is being undertaken "on a basis of mutual respect and with a view to convergence." "China is opposed to interference by foreign countries in its domestic affairs under the pretext of human rights," he recalled. [passage omitted]

Jiang Zemin brought up the topic of East Timor in the conversation. Soares explained in detail the Portuguese position on the Timor issue and expressed to his counterpart the importance of the role which China can play in helping to resolve the problem. Jiang's interest in the matter contrasted with the official position of Beijing, which considers the Timor issue to be a matter between Portugal and Indonesia to be mediated by the United Nations. Indeed, a year ago when Cavaco Silva paid an official visit here this was the fallback position adopted by Chinese officials. It must be admitted that Macao and the related negotiations may have had an influence on the apparently greater openness on the Timor issue. [passage omitted]

#### Scientists Launch Sino-Swiss Physics Institute

*OW1304131295 Beijing XINHUA in English 0919  
GMT 13 Apr 95*

[FBIS Transcribed Text] Hefei, April 13 (XINHUA)—Scientists from China and Switzerland have jointly launched an advanced physics research institute in Hefei, capital of east China's Anhui Province.

According to the plan of the newly-established Joint Institute For High Physics, the two founders of the institute, namely the University of Science and Technology of China (USTC) and the Swiss Federal Institute of Technology (Eidgenössische Technische Hochschule Zurich or ETHZ), will exchange visits, conduct joint research projects and train graduate students.

#### Zhu Rongji Meets Former British Prime Minister

*OW1304134395 Beijing XINHUA in English 1322  
GMT 13 Apr 95*

[FBIS Transcribed Text] Beijing, April 13 (XINHUA)—Chinese Vice-Premier Zhu Rongji met here this afternoon with former British Prime Minister Edward Heath at the Diaoyutai State Guesthouse.

During the meeting, Zhu said that China has been maintaining a sustained and healthy economic growth since the beginning of this year, and the current financial situation has been much better than last year.

The problem of price hikes can be gradually solved, Zhu said, adding that in fact, the prices are going down in the first quarter of this year.

Zhu extended welcome to Heath on his current 18th China visit and expressed his appreciation for his efforts to help push forward the growth of Sino-British ties.

The 78-year old former British Prime Minister spoke highly of China's achievements in its economic reform and development.

**Political & Social****Li Peng Meets Textile Industry Model Workers**

*OW1304145195 Beijing XINHUA in English 1440  
GMT 13 Apr 95*

[FBIS Transcribed Text] Beijing, April 13 (XINHUA)—Chinese Premier Li Peng met with model workers and representatives from the textile industry, as well as deputies to a meeting on ideological work in the textile industry at Zhongnanhai, the seat of the Central Chinese Government, this afternoon.

During the meeting, Li, on behalf of the State Council, conveyed his greeting to 15 million workers in the country's textile industry.

He expressed his hope that model workers and advanced units can continue to play a leading role, successfully advancing construction and ideological progress at the same time, and contributing more to China's reforms, development, stability, and socialist construction.

Vice-premiers Zhu Rongji, Li Lanqing and Wu Bangguo, and other government leaders were present on the occasion.

**Editorial Praises Chen Yun's Achievements**

*HK1304140295 Hong Kong WEN WEI PO in Chinese  
12 Apr 95 p a2*

[Editorial: "By Making the Country Strong and the People Well-Off He Will Go Down in History—Mourning Veteran Chinese Leader Chen Yun"]

[FBIS Translated Text] Chen Yun, Chinese leader of the older generation, died of illness in Beijing the day before yesterday. In an obituary issued yesterday, the CPC Central Committee, the National People's Congress Standing Committee, the State Council, the Chinese People's Political Consultative Conference National Committee, and the Central Military Commission praised Chen Yun as a great proletarian revolutionary and statesman, an outstanding Marxist, one of the pioneers and founders of China's socialist economic construction, and a long-tested leader of the party and the state.

From the age of 15, Chen began seeking revolutionary and democratic ideas and communist ideas and, even after his retirement, he still indefatigably explored ways to make China rich and powerful and make the people happy. His was a brilliant life dedicated to the strenuous struggle for the complete liberation of the Chinese people and for building a socialist society in China. In the span of Chen's 90-year life, earthshaking changes have taken place in the outlook for China. He was born toward the end of the Qing Dynasty, when "the night was long and dawn came slowly to the Crimson Land" and China was in its weakest period. Bullied by foreign powers, China signed one unequal treaty after another. At the time he leaves this world, China has become a country where the

economy is booming, and industry and agriculture are moving toward modernization; it is standing upright and unafraid among the family of nations. The cause of making the country strong and the people well-off which Chinese revolutionaries of the older generation have nurtured with their blood and sweat has borne fruit.

Chen Yun has been called "one of the pioneers and founders of China's socialist economic construction" because he made outstanding contributions to China's economic construction. New China met with three immense economic difficulties, but they were all overcome. First, in the early years after its founding, foreign powers attempted to strangle New China in its infancy. At that time, what with the runaway inflation left by the Kuomintang, the destruction of industry and agriculture, unemployment, and serious famine, some powers asserted categorically that it would be impossible for China to feed the 500 million Chinese people and that the CPC was doomed. At that time, Chen was vice premier in charge of national financial and economic work. On the basis of thoroughgoing investigation and study, he put forward the policy of carrying out unified purchase and sale of major farm produce and thus effectively applied economic means to deal with grain hoarders and speculators. In this period, with the implementation of the First Five-Year Plan, the enthusiasm of tens of millions of peasants and workers was tremendously aroused and the economic malady left by the Kuomintang was cured. In the early 1950's the people's lives were greatly improved. The speed of this economic recovery was something unimaginable to Western economic experts. To this end, Chen Yun performed meritorious deeds that can never be obliterated.

Second, in the late 1950's and early 1960's, the Chinese economy was confronted with serious difficulties. With the support of Mao Zedong, Chen Yun, along with Liu Shaoqi, Zhou Enlai, and Deng Xiaoping, took resolute measures to overcome the negative consequences caused by the Great Leap Forward and the people's commune movement. By implementing an economic policy based on increasing agricultural output China succeeded in restoring economic development in less than three years and brought about a situation of prosperity.

Third, due to the formidable destruction to the national economy and people's livelihood brought about by the Cultural Revolution, the economy at that time was on the brink of collapse. After he was reinstated, Chen Yun seriously put forward and resolutely supported the idea that Deng Xiaoping rejoin the central leading work. The second generation central leading collective with Deng Xiaoping as the leading core set things to rights in terms of ideological, political, and organizational lines, and formulated and implemented the basic line of taking economic construction as the center and upholding the four cardinal principles and persisting in reform and opening up. Consequently, China entered its best period of vigorous economic growth. Over the past 15 years, the Chinese economy has seen steady growth of over 9

percent, thereby creating a miracle of economic growth which is the envy of Western countries.

Chen Yun not only performed tremendous deeds in practice but also made important theoretical contributions to China's socialist economic construction. He stressed the need to rectify the longstanding influence of "leftist" errors in previous economic work, saying that there was only the idea of developing proportionately in a planned way in the past, but not the idea that there must also be a market economy under the socialist system. He also said: It is good to act according to economic laws, but state intervention is also necessary. "State intervention" later developed in a more scientific way and became an economic means by which the state exercised macroeconomic regulation and control. He said: We should remember the historical experience that "there is no economic stability without agricultural development" and that "shortage of grain will lead to social disorder." He called for an appropriate distribution of national revenue and an appropriate ratio between accumulation and consumption. He did not agree with the idea of excessive accumulation which squeezes out living funds, nor did he agree with the idea of consumption growth outstripping production growth. He pointed out that we should proceed from the overall situation and that the central authorities should pool the necessary financial resources. He upheld the principle of basing ourselves on reality and seeking truth from facts and was opposed to the erroneous tendencies of impetuosity and rash advance and of being anxious for quick results regardless of the practical conditions. In his view, "the scale of construction must be adapted to the national strength, due consideration must be given to the people's livelihood and national construction, and there must be a comprehensive balance in terms of financial revenue, bank credit, material supply and demand, and foreign exchange receipts and expenditure to ensure that the national economy develops proportionately in a planned way." He pointed out that "it is necessary to study contemporary capitalism to ensure China's proper status in the world market." He also explicitly put forward such ideas as "we can utilize foreign capital." These economic ideas have had a far-reaching influence in the course of China's reform and opening up.

Chen Yun has made very outstanding contributions to China's economic work. The obituary issued by the central authorities spoke highly of his achievements and theories. His outstanding achievements and economic ideas, we believe, will certainly encourage the Chinese people to strive for the rejuvenation of the Chinese nation and China's socialist modernization drive.

**'Low-Key Ceremony' Planned for Chen Yun**  
**HK1404040495 Hong Kong SOUTH CHINA MORNING POST in English 14 Apr 95 p 1**

[By Jasper Becker in Beijing]

**[FBIS Transcribed Text]** China plans a low-key ceremony to mark the cremation of senior leader Chen Yun who died on Monday in Beijing at the age of 90.

Foreign Ministry spokesman Chen Jian said that in accordance with Chen's wishes and in terms of regulations, there would be no state funeral or major farewell ceremony. It is likely that Chen will be given the same send-off as other senior leaders such as veterans Li Xiannian and Wang Zhen, where on the day of his cremation flags will fly at half mast in Tiananmen Square and his family and leaders will file past his body before it is taken to Babaoshan crematorium.

China issued new regulations in 1990 after the death of Hu Yaobang, the deposed general secretary of the Communist Party, the previous year triggered student uprisings against the authorities. Chen and other veterans had insisted that Hu step down after accusing him of being too sympathetic to student democracy protesters in 1986. In April 1989, students gathered in Tiananmen Square to mourn his death. In the Great Hall of the People leaders paid their respects at a grand ceremony. The gatherings turned into the huge anti-government protests that were crushed by the army.

#### **RENMIN RIBAO on Model Cadre Kong Fansen**

##### **Highlights Kong's Deeds**

**HK1404052295 Beijing RENMIN RIBAO in Chinese 8 Apr 95 p 1**

[Commentator's article: "There Is Still a Jiao Yulu Today"]

**[FBIS Translated Text]** In the mid-1960's, the exemplary deeds of Comrade Jiao Yulu moved the whole nation to tears and inspired millions of cadres and ordinary people to selflessly plunge into the cause of socialist construction. Even today, people who experienced those days still remember the name of Jiao Yulu and still recall the name with deep respect.

Time has elapsed over 30 years, and our country is now advancing with giant strides along the course of reform and opening up. In the new era, people still ardently hope for the emergence of model figures like Jiao Yulu and hope that such good cadres will play an exemplary role in inspiring the broad masses of cadres and ordinary people to make new and great achievements.

It should be affirmed that through the tests and tempering of reform and opening up, healthy and upright conduct [zheng qi he guang ming 2973 3049 0735 0342 2494] remains the mainstream and overwhelming trend within the party membership and the contingent of cadres. Over more than 10 years, the brilliant achievements we made in the building of the two civilizations give the best evidence. The achievements are the results of the painstaking efforts of the vast number of cadres who worked hard themselves and led the masses to work hard together. Comrade Kong Fansen [1313 4907 2773]

was a brilliant representative of such hundreds of thousands of outstanding cadres.

Comrade Kong Fansen's noble spirit offers a striking contrast to people who have a seriously bureaucratic style of work and even commit corruption among the contingent of cadres. At present, some cadres are indifferent to the well-being of the masses, some cadres are involved in corruption and bribery, and some cadres play the tyrant and act as local despots in bullying and oppressing the masses. Some law enforcement and supervision organs and some functional departments seek selfish benefit for themselves by abusing official functions and powers and engage in trading their power for money. Such evil practices still continue even though they have been banned again and again. The masses bear great resentment against such evils. Some people even doubt whether selfless cadres like Jiao Yulu still exist among our cadres. The resentment and misgivings of the masses should arouse our serious attention. If we fail to firmly carry forward upright conduct, maintain the healthy party style, and eliminate corruption, then we will certainly be divorced from the masses and eventually lose their trust and support.

With his great spirit of dedication, self-sacrifice, and diligence, Comrade Kong Fansen redemonstrated Comrade Jiao Yulu's great character, carried forward the great uprightness of a Communist, and created the image of serving the people wholeheartedly. His exemplary deeds will form a strong rallying and driving force to promote unity between cadres and ordinary people and to speed up the process of modernization. In the transitional period from the planned economy to the socialist market economy, there will appear many new contradictions and new problems in society. The masses hope that more cadres like Kong Fansen will appear, and our party needs more cadres like Kong Fansen. After the formulation of the correct line, principles, and policies, cadres will constitute a decisive factor. Leading cadres at all levels bear great responsibility for whether reform will be carried out in depth, whether opening will be expanded further, whether the economy will be developed, and whether social stability will be maintained. All cadres in the party, especially leading cadres, should seriously emulate Comrade Kong Fansen's spirit from the high plain of keeping overall interests in mind, more effectively promote efficient and clean government, further improve their work, strive to be good public servants, and use more convincing facts to show: Jiao Yulu's spirit will exist forever, and there still exist people like Jiao Yulu!

#### Details People's Praise of Kong

HK1404052495 Beijing RENMIN RIBAO in Chinese 9 Apr 95 p 1

[Commentator's article: "The Loftiest Realm of Love"]

[FBIS Translated Text] It seemed rather difficult to understand the choice made by Comrade Kong Fansen

from a natural and normal point of view: He could not play the perfect role of the filial son to his octogenarian mother, but would present warm shoes and a woolen pullover to some Tibetan "grandmother" [a ma la 7093 1265 2139]; he could not take care of his wife and children, but he adopted two Tibetan orphans and improved their living standards with money derived from donating his blood...However, none of this is at all strange, because he was a leading cadre of the CPC and had a loftier realm of thought on life.

Kong Fansen once said: "The loftiest realm of love is that for other people, and the loftiest realm of a Communist's love is his love for the people." To Kong Fansen, such a realm of thought and love were not some abstract generalization or beautiful words but a profound feeling, and a practice that involved all kinds of hardships. He might not have had to adopt the two Tibetan orphans, to suffer cold and give away his woolen pullover to the "grandmother," or to sell his own blood to bring up other people's children....All this was not his bounden duty, but he did it with all his sincerity. He was driven by the selfless sense of morality and justice of a Communist and the lofty sense of mission of a civil servant of the people. "Oh that there were sufficient daily bread on every household table, I would die contented in this ailing body likened to the setting sun." Everything Kong Fansen did was the logical development of the lofty realm embodied in his wish to regard the mass interests as his own responsibility.

Outstanding Communists and party leading cadres always have something in common or similar in their moral character and sentiment. Despite the differences between Kong Fansen and past patterns of fine party leading cadres in their times, life experiences, cultural background, and characters, one point seems to precisely coincide, namely, their profound love for the people.

Whether a leading cadre is up to standard and outstanding might be measured by various criteria, but the most fundamental one is precisely whether his actions win the support and praise of the masses and whether the masses are satisfied and pleased with them; in other words, whether or not one serves the people heart and soul and maintains the fish-and-water relationship with the masses of people. That alone is a testing stone. Through the ages, the people have always relied on this testing stone to judge which official was fine and which was inferior. People praised Kong Fansen, saying: "He took care of orphans, showed concern for the impoverished, and cherished the people like a father." That is the highest commendation for Kong Fansen.

To plan for people's happiness and treat the people like their own parents is the noble character of Communists as well as the duty of a civil servant who is up to standard. To learn from Kong Fansen means precisely to learn from his noble character.

**Stresses Kong's Work Spirit**

*HK1404052695 Beijing RENMIN RIBAO in Chinese  
10 Apr 95 p 1*

[Commentator's article: "Pearl and Earth"]

[FBIS Translated Text] "If one always regards oneself as a pearl, one may have the painful feeling of being afraid of being neglected. Take yourself as earth, and let the masses tread a path upon you." This was the maxim Comrade Kong Fansen used to spur himself on, and it was also a mirror reflecting his inner world to us, because a person's outlook on life is always reflected in the way he evaluates his personal weight and role in the revolutionary cause.

Comrade Kong Fansen entered Tibet twice. There, he assumed important posts and played an important role. He did painstaking pioneering work and created a new situation for the party; and his diligence brought warmth and benefit to the local people. He met with misfortune and died at his post, and his death was a loss to the party, and the local people felt sorrowful as they lost a beloved member of their family. Comrade Kong Fansen made great contributions to the nation and the people. However, such an outstanding leading cadre with noble character and brilliant work performance give no consideration at all to his personal fame or status, and was willing to be a handful of earth on the road.

The valuable spirit of Comrade Kong Fansen rests in the fact that he was actually a brilliant pearl, but he never thought highly of himself as a pearl. As all people know, a leading cadre in a remote and poor area of Tibet had to bear heavy and important responsibilities and had to work very hard. Comrade Kong Fansen left his family behind, silently overcame all difficulties in his personal life, did not bargain with the party, did not demand anything, and gladly accepted all assignments of the party organization. His happiness came from his noble character and personality and particularly came from a high degree of party spirit. In his eyes, "the poorer and more remote the place, the more necessary it is for a person to work, fight, and be dedicated; otherwise, one may let down the party and the masses." Kong Fansen's diligent work was as plain and common as a handful of earth. However, it was the plain and ordinary earth that made the broad road leading to a place full of hope. This shows that the value of a person exists only when he or she works hard for the cause of the motherland and the people.

Comrade Kong Fansen's words and deeds also make us think of certain people who always demand greater power and higher position, though they are mediocre and do not make any special contribution. Such people often complain that their ability is neglected if they are not satisfied with their assignment, and feel they are being wronged. Other people do not want to make progress in their work and do not want to do more work.

They like to choose something to their personal advantage and evade what is difficult. Some people tend to be conceited, and like to demand honor, higher position, and better treatment after minor achievements. An ancient poem expressed it well: "How stupid is the pheasant which looks at the pond and becomes conceited." Some people are not pearls, but they like to be conceited and regard themselves as pearls. However, Comrade Kong Fansen was willing to be earth for a path, and did not seek fame and gain. The people regarded him as a valuable pearl. His noble character has taken root deeply in the minds of the people, and will be always cherished by them as an invaluable treasure.

**Stresses Party Membership**

*HK1404052895 Beijing RENMIN RIBAO in Chinese  
11 Apr 95 p 1*

[Commentator's article: "We Are Members of the Party"]

[FBIS Translated Text] "We are members of the party." This was what Comrade Kong Fansen liked to say.

These plain words gave expression to Comrade Kong Fansen's profound feelings for the party, demonstrated his true willingness to dedicate everything of himself to the party, and showed his faithfulness of obeying the party's instructions and his determination to fight for the realization of the party's grand objective.

"We are members of the party." What a familiar and heart-warming sentence this is. In the years of the revolutionary wars and in the period of peaceful construction, CPC members of the older generations just said this and proved their faithfulness to the party with their brave deeds. Countless revolutionary martyrs sacrificed their valuable lives for the cause of the party. Their exploits and spirit always inspire the people and shine their way ahead for thousands of years. Comrade Kong Fansen was precisely one of their successors.

In the new historical period, our party has taken contemporary Chinese Marxism—Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, as its guide [punctuation as published], and established the basic line of "one center, two basic points" [wo men dang yi dang dai zhong guo di ma ke si zhu yi—deng xiao ping tong zhi jian she you zhong guo te se she hui zhu yi li lun wei zhi dao, zhi ding le "yi ge zhong xin, liang ge ji ben dian" di ji ben lu xian 2053 0226 8093 0110 3981 0108 0022 0948 4104 7456 0344 1835 0031 5030—6772 1420 1672 0681 1807 1696 6080 2589 0022 0948 3676 5331 4357 2585 0031 5030 3810 6158 3634 2172 1418, 0455 1353 0055 0001 0020 0022 1800, 0357 0020 1015 2609 7820 4104 1015 2609 6424 4848]. Comrade Kong Fansen firmly supported the party's basic theory and basic line, and put the theory into practice to implement the line with his exemplary deeds.

Our party formulated the three-step strategic objective for socialist modernization. Comrade Kong Fansen said:

"I should use my actions to prove that the CPC is really serving the people." Wherever he went, he always cared about the well-being of the masses and did his utmost to help the masses overcome their difficulties. He devoted his energy and life to seeking benefit for the Tibetan compatriots on the plateau.

Our party set forth the principle of maintaining and carrying forward the pioneering spirit of hard struggle over a long period to come. Comrade Kong Fansen earnestly practiced this and set an example with his own behavior. No matter how difficult the conditions, he never flinched and never relaxed his effort. He was strict with himself, worked honestly and incorruptably, sought only the public interest, and never sought private gain with the power he held.

..... [double ellipsis separating paragraphs as published]

The towering Himalaya Mountains and the torrential Yaluzangbu Jiang witnessed the noble character of Comrade Kong Fansen as a true CPC member, a real "member of the party" worthy of the name. While saying that "I am just a member of the party," Comrade Kong Fansen was so sincere and true, and the words sounded so plain and cordial but also gave out heart-warming force. People used to say that "CPC members are people made of special material." The moving deeds and noble character of Comrade Kong Fansen once again proved this.

Today, the vast majority of comrades in our party have a strong sense of being "members of the party." They can strictly discipline their own behavior according to the requirements for CPC members, seek benefit for the people, and do credit to the party. However, a small number of people do not actually join the party in their minds although they have joined the party organizationally. What they do is not worthy of the glorious title of CPC member. A very small number of corrupt people long ago ceased being "members of the party," but dregs of the party!

To fulfill the great historical task in the new period, our party needs a large number of good party members and cadres like Kong Fansen. Through emulating Kong Fansen, it is certain that more and more CPC members and leading cadres will have a clear conscience in saying: "We are members of the party." They will say this with perfect assurance.

#### 'Blacklist' People Watched in Runup to 4 Jun

HK1404054095 Hong Kong EASTERN EXPRESS in English 14 Apr 95 p 1

[By Didi Tatlow]

[FBIS Transcribed Text] A blacklist of 60,000 people identified as targets for internal control will be closely watched in the runup to the anniversary of the June 4 massacre in Beijing, according to an extraordinary Chinese government meeting held at the beginning of April.

The ministries of Public and State Security met recently at an undisclosed location to formulate a policy to deal with perceived challenges to the Communist Party's authority over the coming six weeks, according to reports of the meeting. The source of the reports cannot be identified for reasons of political sensitivity. Documents from the meeting have been distributed to every province, City government bureau and work unit throughout the country.

The list figure constitutes a national total of people whom the government considers a "serious political threat", according to an observer familiar with the list, and includes students, businessmen, workers and government officials. The list is garnered from, and is part of, the hukou (residence) system that details where people may live in China. People named are kept under surveillance by the police station in their locality.

At present, control over the 60,000 people is insufficient, according to the meeting, and it called on all localities to beef up surveillance and "increase [the] information [available] on them". Party and government organs are urged to "secretly pay attention to every type of anti-government sprout", or nascent threat, according to the reports. The number of key political troublemakers was described by someone familiar with it as "not that large" given the size of China.

Distributed over more than 2,000 counties, it represents an average of 30 people singled out for surveillance in each county. The blacklist, in place since the early years of the People's Republic of China, is periodically updated. The ministry-issued document describes a mass coalition of people from all walks of life building to bring down the Communist Party, and includes remnant Gang of Four members, in a move described by an observer as "a cynical attempt to tar everyone".

#### Revised Draft Law To Regulate Transient Laborers

HK1404061695 Beijing CHINA DAILY in English 13 Apr 95 p 3

[By Liu Yingliang: "Beijing To Regulate Transients"]

[FBIS Transcribed Text] Huairou—Beijing will regulate its burgeoning transient labour force—traditional land farmers lured to Beijing for lucrative construction and peddling jobs—this year.

A revised draft law in this regard was presented for deliberation yesterday to the 16th session of the Municipal People's Congress Standing Committee.

The law will go into effect on June 15 if it is adopted by the session.

Under the revised draft, transient labourers coming to the capital should register with local public security units to acquire a permission card for temporary residence.

Women above age 18 should bring their certificates of marriage, and child-bearing status when they go to register.

Only with these residence permission cards can transients rent houses or further acquire licenses from labour departments or administration for industry and commerce for getting jobs or doing private businesses.

Organizations and individuals in this city also should get licenses to rent their houses to the incomers after contracts are signed between them.

The incomers should only do small businesses at designated markets or places.

Employers of transient labourers also should sign contracts with local social security and family planning agencies to guarantee their employees' security and abiding by the rules.

All 47 deputies attending this meeting unanimously agreed a law is necessary to control the total number of transient labourers in the capital.

However, they did not agree on whether certain administrative fees should be collected from incomers.

By the end of last November the total transient population in Beijing had reached 3.29 million with 70 per cent still seeking jobs.

While the newcomers have contributed to the city's construction and service trade, they also have brought some social problems. Therefore, the deputies pointed out, the law also should protect incomers' legitimate rights while strengthening control over them.

The three-day session which opened yesterday also will discuss three other regulations concerning the management of economic and technical development zones in Beijing, the implementation of "the Mother and Child Health Care Law" and the City's patrol police.

### China To Deal With False Diploma Trade

HK1404010495 Beijing ZHONGGUO XINWEN SHE  
in English 1210 GMT 13 Apr 95

[FBIS Transcribed Text] Beijing. April 13 (CNS)—The State Education Commission, the state administrative organ governing academic affairs, has to resolutely oppose and severely denounce fabrication and trading of bogus academic certificates. The Commission will coordinate with public security and judicial departments to seriously deal with such cases, according to law.

A senior official of the commission made the remarks in response to the recent illegal spate of such activity in some areas. The Commission pointed out that fabrication and trading of graduation diplomas by unscrupulous profiteers were strictly against the law, catering to meet the "needs" of some persons who want a ready-made diploma or bogus academic credentials. Despite the fact that such incidents took place in separate areas,

the adverse impacts are grave. Bogus qualifications harm and disrupt the healthy development of higher learning undertakings and damage the prestige enjoyed by genuine academic certificates, both at home and abroad. Holders of a fabricated diploma unfairly enjoy the treatment awarded to honest achievements. It is feared that as a result, chaos will be caused to policy on labour force and personnel which will in turn lead to damage to economic development and social undertakings, and perhaps also foster social instability.

Diplomas are graduation certificates conferred to graduates by higher learning institutions or relevant academic bodies with the approval of the state administrative department for education. They represent that holders have already reached a certain level of academic attainments from higher education. Holders of such academic certificates are entitled to relevant treatment compatible with their academic achievements. Diplomas are in effect, law-binding documents. Under the present higher learning sector there are to date graduation certificates for ordinary higher education, adult higher education, and also higher education via private study.

Diplomas for ordinary higher education and for adult higher education are under a three-tier administration involving the state education commission, the education department of provinces, autonomous regions, municipalities and ministries and commissions under the State Council, as well as by schools and colleges. Graduation certificates were produced in a unified way by the state education commission for ordinary higher education since 1994 and for adult higher education since 1993.

### Report on Leaders' Activities 29 Mar-14 Apr OW1404072995

[FBIS Editorial Report] PRC media monitored from 29 March to 14 April carried the following reports on PRC central leadership activities. The source is noted in parentheses after each report.

Song Jian on Launch of Press Association Congress—The Fifth Congress of the China Association of Science Press (CASP) and also the Sixth CASP Annual Meeting opened in Hangzhou on 29 March. Lu Jiaxi, vice chairman of the National People's Congress Standing Committee; Song Jian, state councillor and minister in charge of the State Science and Technology Commission; and Zhu Guangya, vice chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) and chairman of the China Association for Science and Technology, wrote congratulatory messages for the occasion. (Hangzhou ZHEJIANG RIBAO in Chinese 29 March 95 p 1)

Yu Yongbo Attends Study Session on Deng's Works—A study session on the "Selected Works of Deng Xiaoping" for leading cadres of the People's Liberation Army (PLA)

opened on 1 April. Yu Yongbo, Central Military Commission (CMC) member and director of the General Political Department, and leaders of the three PLA general departments and the PLA National Defense University, attended the opening ceremony. Yu Yongbo urged high-level leading cadres: "More conscientiously use Deng Xiaoping's theory as your guidance; more thoroughly understand the objective law and trend of development of our country's reform, opening up, and socialist modernization; and more thoroughly understand the correctness of the party's line, principles, and policies in the new era." (Beijing Central People's Radio Network in Mandarin 1030 GMT 2 Apr 95)

**Jiang Chunyun Visits Meteorological Office**—Jiang Chunyun, member of the CPC Central Committee Political Bureau and vice premier of the State Council, visited the China Meteorological Administration on the morning of 6 April. He expounded the importance of meteorological work in the new situation of "reform, opening up, and sustained, rapid, and healthy economic development in our country." (Beijing XINHUA Domestic Service in Chinese 1247 GMT 6 Apr)

**Liu Huaqing, Hu Jintao, Others Mourn Wang Youping**—Wang Youping, former vice foreign minister and leading party group deputy secretary, passed away at the age of 84 in Beijing on 28 March. Liu Huaqing, Hu Jintao, Qian Qichen, and Song Renqiong mourned Wang's passing and offered condolences to his family. (Beijing XINHUA Domestic Service in Chinese 0941 GMT 7 Apr)

**Zhang Wannian Attends Military Book Meeting**—The editorial board of the China Military Affairs Encyclopedia convened its second meeting on 8 April, during which Zhang Wannian, CMC member and chief of general staff, called for unified efforts to compile the book. The decision to compile the book, whose title was inscribed by Comrade Deng Xiaoping, was made in 1984, and the compilation progress was followed with interest by CMC Vice Chairmen Liu Huaqing and Zhang Zhen. Xiao Ke and Zhao Nanqi were respectively named the editorial board chairman and executive vice chairman in accordance with a recent CMC decision. (Beijing XINHUA Domestic Service in Chinese 1131 GMT 8 Apr 95)

**Li Lanqing Marks Birth Centenary of Educator**—The Chinese Education Society commemorated the birth centenary of Comrade Yang Xianjiang, a theorist of Marxist education and staunch fighter for communism, at the assembly hall of the National CPPCC Committee on 8 April. In a statement written for the occasion, Li Lanqing, CPC Central Committee Political Bureau member and vice premier of the State Council, applauded Comrade Yang's "lofty spirit and glorious achievements." (Beijing XINHUA Domestic Service in Chinese 1138 GMT 8 Apr 95)

**Huang Ju Attends Metro Line Launching Ceremony**—Shanghai Metro Line One fully opened to traffic on 10

April. Huang Ju, CPC Central Committee Political Bureau member and Shanghai Municipal Party Committee secretary, and over 500 domestic and foreign guests, attended a ceremony held at the subway to mark the occasion. (Beijing XINHUA Domestic Service in Chinese 1120 GMT 10 Apr 95)

**Jiang Zemin Confers Title on Barrack Hospital**—A ceremony was held in Urumqi city on 10 April to confer the honorary title of 'Karakorum Model Medical Station' on a barrack hospital of the Lanzhou Military Region Hospital No. 18. A decree signed by CMC Chairman Jiang Zemin to confer the title was read at the meeting. (Beijing XINHUA Domestic Service in Chinese 1344 GMT 10 Apr 95)

**Song Jian Addresses Sino-Japanese Seminar**—The Sino-Japanese Environmental Seminar opened in Beijing on 12 April. Song Jian, state councillor and minister in charge of the State Science and Technology Commission, emphasized the importance of environmental protection, and the people's participation in relevant work. Participants at the meeting expressed the belief that the common environment China and Japan share would naturally help them "cooperate closely" in environmental protection. (Beijing XINHUA Domestic Service in Chinese 0729 GMT 12 Apr 95)

**Jiang Zemin, Li Lanqing Urge Safe Spring Outings**—On 6 April, 29 students of Xiaoyu Coal Mine Primary School No. 2, Shanxi Province, were killed and one was seriously burnt in a fire which broke out at a cookout during the school's spring outing. State Education Commission issued an emergency circular urging safety awareness during spring outings in view of this and other fire accidents; General Secretary Jiang Zemin and Vice Premier Li Lanqing also issued important instructions. (Beijing Central People's Radio Network in Mandarin 1030 GMT 12 Apr 95)

**Jiang Zemin Decree Relayed at Title Ceremony**—A ceremony was held in Guangzhou on 12 April to confer an honorary title on a clinic affiliated to the No. 1 Military Medical University. On behalf of the CMC, Fu Quanyou, CMC member and director of the General Logistics Department, relayed a decree signed by CMC Chairman Jiang Zemin to confer the honorary title, and urged PLA comrades, particularly those in the medical field, to emulate the clinic. Zhou Keyu, political commissar of the General Logistics Department, relayed the General Logistics Department party committee's "Decision on Emulating the 'Model Huiqiao Medical Department'." (Beijing XINHUA Domestic Service in Chinese 1244 GMT 12 Apr 95)

### Science & Technology

**Official Says 'No Question' on Safety at Daya Bay**  
HK1304140695 Hong Kong AFP in English 1222 GMT 13 Apr 95

[FBIS Transcribed Text] Beijing, April 13 (AFP)—A senior Chinese official said Thursday [13 April] there

was "no question" of safety problems involved in the closure of the country's biggest nuclear plant at Daya Bay less than a year after its official opening.

Huang Qitao, director general of the National Nuclear Safety Commission (NNSA), told visiting U.S. experts that "the two generating sets of the Daya Bay nuclear power plant have been put out of operation for refuelling and maintenance."

"There is no question of safety," Huang said in a meeting with Ivan Selin, chairman of the U.S. Nuclear Regulatory Commission, who arrived here Wednesday.

The Daya Bay plant, in southern Guangdong province just 50 kilometres (30 miles) north of Hong Kong, went into full commercial operation in February 1994.

The number one generator, which went into operation in August 1993, was shut down for refuelling in December.

It has since remained off-line reportedly because of the discovery that the "drop time" for some of its 53 control rods was longer than normal.

The rods, used to control a reactor's temperature and power, are supposed to take no more than 2.15 seconds to fall into the reactor in order to stop the nuclear chain reaction—but the tests found that seven rods fell in 2.5 seconds.

"The reactor was supplied by (French manufacturer) Framatome and they are responsible for solving the problem of their equipment," Ross Sayers, the chairman of the plant's Hong Kong shareholder, said Tuesday.

Unit number two is also shut down for its own refueling and testing, he said.

"The overall conditions of the two nuclear power plants have been good since they were put into commercial operation last year," said Huang, referring also to the country's Qinshan plant in eastern Zhejiang.

Selin also met with State Councillor Song Jian, who called for broader cooperation with the United States in the area of nuclear safety.

"The Chinese government attaches great importance to nuclear safety," he said.

#### Daya Bay To Face Strict Safety Assessment

HK1404061095 Hong Kong HONGKONG STANDARD in English 14 Apr 95 p 3

[By Renaeo Reyes]

[FBIS Transcribed Text] The Guangdong Nuclear Power Joint Venture Company chairman says the French consultancy working on the problems of the Daya Bay nuclear plant still has a lot to do before the facility can be declared safe. Zan Yunlong said measures offered by French nuclear supplier Framatome are only "preliminary proposals". He said a safety assessment must be

made by the China Nuclear Safety Administration and the French Nuclear Safety Authority.

A special executive committee meeting of the joint venture company "reviewed in detail" Framatome's technical proposals to solve the failure of Unit I's control rods to drop on time. The Guangdong company said the units would only be restarted if tests and safety evaluations made showed that the measures were effective. Framatome expects the first phase of the program to be completed by June and the second phase by December this year.

Mr Zan said Daya Bay would not be restarted until all the technical criteria are met. "What we are seeking is the root cause and a permanent solution to the control rod issue," Mr Zan said. Framatome admits it is nowhere near uncovering the root cause of the problem affecting the Unit I reactors which has been closed since December. However, it is proposing a two-phase program as a temporary solution until experts find the cause.

Unit I's control rods, which stop the nuclear reaction in case of an emergency, have failed to drop into the reactor pressure head within the specified time frame. Framatome said the problem could be related to design changes made at Daya Bay such as slightly different reactor internals and a higher coolant flow.

The French firm proposed adding eight extra control rods to Daya Bay's Unit I reactor, which it expects to be completed by June. It also recommended replacing the hollow tubes into which the rods drop by the end of the year. The station's Unit 2 has also been shut down for refuelling.

China relies on Daya Bay, one of its biggest nuclear plants, to power its rapid industrialisation, and plans to build more to meet growing demand. Guangdong's planning committee says China hopes to build more nuclear plants in Guangdong over the next 15 years but has not specified the number.

#### Telecommunications System Joins Internet

HK1404061095 Beijing CHINA DAILY in English 13 Apr 95 p 1

[By Xie Liangjun: "Telecom System Joins Internet"]

[FBIS Transcribed Text] China's public telecommunications system has joined the Internet, a worldwide computer data bank based in the United States.

The Ministry of Posts and Telecommunications (MPT) announced yesterday that applications for access to the Internet will be processed in May.

A MPT source said that officials and technicians of the Directorate General of Telecommunications are preparing China's Internet operation to begin as soon as possible.

The source added that exhibiting and introducing China Internet services to the public will be the major activity organized by the ministry to mark World Telecommunications Day on May 17.

MPT yesterday began issuing its fifth set of national magnetic telephone cards covering new telecommunications services.

One will feature the China Internet and has a face value of 10 yuan (\$1.19).

Others feature E-mail, video tex, electronic data exchange and fax memory transmission services, ChinaPac (public packet exchange data network) and China DDN (digital and data network) with a face value ranging from 20 yuan to 100 yuan.

The MPT source did not provide further details about China Internet.

The Beijing-based Chinese Academy of Sciences, the State Education Commission, Beijing University and Qinghua University already have linked up their internal telecommunications systems with the Internet.

#### Sichuan Built Highest Fire Experiment Tower OW1304125795 Beijing XINHUA in English 0734 GMT 13 Apr 95

[FBIS Transcribed Text] Beijing, April 13 (XINHUA/OANA)—A tower 39.6 m high for experiments in combatting fire disasters in high-rise buildings has been built in southwest China's Sichuan Province, the Public Security Ministry disclosed here today.

The tower, situated in Dujiangyan City, is composed of 12 stories above the ground and one story below, it said.

There have been a number of fires in the ever-increasing number of high-rise buildings in China in recent years.

An officer from the Fire Control Bureau under ministry disclosed that up to five major fires have broken out in high-rise buildings across the country since the end of last year.

"The tower is one aspect of efforts by the government to find efficient means to combat such fires," he said.

Experiments can be done on how fires break out and spread, and how to install alarm systems, he explained. The dispersing of smoke, extinguishing of flames and saving of lives can also be studied under realistic conditions using the tower, he said.

Construction materials can also be tested using the tower, and the basement can be used for experimenting with garage fires.

#### Military

##### Liu Huqing on Conversion of Military Industries OW1304145095 Beijing XINHUA in English 1434 GMT 13 Apr 95

[FBIS Transcribed Text] Beijing, April 13 (XINHUA)—A top army official today stressed the importance of changing military industries over to companies that produce consumer goods.

Liu Huqing, vice-chairman of the Central Military Commission made the remark today at the first national meeting of the China Association of Peaceful Use of Military Industry and Technology.

Liu, also a member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, said that the principle of combining military and civilian industrial production is an important part of China's development strategy.

At present, China's national defence industry faces a new set of circumstances, and the readjustment, reforms, and development are difficult, said Liu. He urged those at the meeting to seize the opportunity, dig deeply in their investigation and research, and strengthen cooperation, so that the transfer of military industries to the civilian sector will reach a new high.

Established in 1987, the China Association of Peaceful Use of Military Industry and Technology is a national organization consisting of enterprises engaged in transferring military industry and technology to civilian hands on a voluntary basis.

The peaceful use of military production has attracted the attention of many countries around the world, and the Central Government has paid much attention to this work.

Some international organizations, including the United Nations Development Program, sent letters of congratulation to the opening session.

#### Dual-Track Production Achieved

##### HK1404064095 Beijing CHINA DAILY in English 14 Apr 95 p 1

[By Chen Chunmei: "Defence Serves Dual Purpose"]

[FBIS Transcribed Text] China's defence industry has successfully switched from a formerly military-oriented monorail to a current dual track, a national conference heard yesterday.

The defence sector now serves both civil and military production, the national convention of the China Association for Peaceful Use of Defence Technology (CAPUDT) was told yesterday in Beijing.

Liu Huaqing, a Standing Committee member of the Chinese Communist Party Central Committee's Politburo and vice chairman of Central Military Commission, called on the defence industry to step up the conversion drive through reorganizing the management structure and re-distributing men and resources.

The output value of the civil products accounted for three-quarters of the defence industry's total last year, Jin Zhude, vice-chairman of CAPUDT said.

Two-thirds of military enterprises have now converted themselves to producing purely civil products, Jin said.

Production of civil products has increased by 20 per cent every year since the late '70s when the defence industry took its first step toward de-militarizing.

As a result, most of the enterprises have survived financial difficulties caused by dwindling military orders.

The national defence industry system includes the aerospace, aviation, weaponry, ships nuclear and electronics industries.

Conversion from military to civilian emphasis has now been internationally accepted as an effective approach to turn the production capabilities, technologies and equipments of the shrinking sector to serve the expanding civilian side.

Over 200 items of technology innovation and more than 1,000 pieces of new technologies have been turned to civilian use in the past few years, laying the foundation for the conversion, said Jin.

Some 2,500 items of technologies classified for military use have been applied to the civilian production over the past decade.

The defence industry in the inland Guizhou Province set up 121 enterprises in the coastal areas and made annual profits of more than 100 million yuan (\$11.9 million), boosting the province's economy, said Jin.

Profit-making enterprises account for some 20 percent of the total, he said.

#### Unmanned Supersonic Airplane Flight Tested

OW1404040095 Beijing XINHUA Domestic Service in Chinese 1209 GMT 13 Apr 95

[By reporter Xiao Pu (5135 3877) and correspondent Song Fang (1345 2455)]

[FBIS Translated Text] Lanzhou, 13 Apr (XINHUA)—The test flight of China's first unmanned supersonic airplane was successfully conducted at a test base of the Air Force today. This signifies that China's research and manufacturing of unmanned aircraft have reached advanced standards in the world.

The unmanned supersonic airplane was successfully built at a test base of the Air Force after four years of

research work. Remotely controlled by ground personnel, the airplane can perform various flying drills including takeoff, climbing, circling and ultra low-altitude flying. According to data provided by related experts, the functions and performances of the unmanned plane have all met design requirements.

It was learned that at present only a few countries in the world have unmanned supersonic airplanes. The successful design and manufacturing of this unmanned supersonic airplane has provided new means for our country's testing of new air weapons [xin xing hang kong wu qi 2450 0992 5300 4500 2978 0892] and actual target practice by military units.

#### \*County-Level Public Security Corruption Revealed

95CM0198A Beijing LIAOWANG [OUTLOOK] in Chinese No 9, 27 Feb 95 pp 17-18

[Article by Bu Yuntong (0592 0061 4592): "Knock Down the Protective Shield—Factual Report of the Rectification of a Public Security Contingent Subsequent to the 'Nanbatian' Case in Hainan's Chengmai County"]

[FBIS Translated Text] LIAOWANG No 37, 12 September 1994, published an article entitled "Routing of the Conqueror of the Southern Sky" ["Nanbatian Fumieji"]. It was a report on the outcome of the trial of Wang Yinghan, a sensational court case that took place in Hainan Province's Chengmai County. Wang Yinghan and members of his crime syndicate were sentenced to death, stay of execution, life imprisonment, or prison terms. People applauded the sentences. Yet, given more time to ponder, people will pay more attention to why Wang Yinghan and his gang were able to tyrannize the area for six long years. Should those in power who protected and indulged these criminal elements be duly punished too?

It has been almost six months, and most conclusions have been drawn: The reason the Wang Yinghan syndicate was able to tyrannize Chengmai for six years was because the county public security bureau was corrupt. The former head of the Chengmai County public security bureau, Li Wengang, took office in August 1990. In less than a year, he was investigated and charged with accepting 2,000 yuan in bribes. The provincial public security department decided that Li Wengang should be "dismissed and transferred out of the public security contingent." But because a former county party committee leader objected, that decision was not carried out. As head of the public security bureau, Li Wengang was a poor worker; he did not even know the difference between administrative detention and criminal arrest. In particular, after 1992, he ceased to put any effort into his work. Instead, every weekend, he went to Haikou, the provincial capital, to dance and spend the night. On the several occasions when murder was reported in Chengmai County, the chief was nowhere to be found.

Chen Mingcheng, the deputy chief in charge of crime investigation, also made the excuse that he "could not stand the sight of blood" and never showed up at a murder scene. In February 1992, Wang Yinghan sent a hit man to gun down Wang Yuhai. The county leaders assigned Chen Mingcheng and his men to search Wang Yinghan's home, but Chen made excuses and declined to go. A vice political consultative committee member never showed up for work. His son, a patrolman, ran a gambling den. The father not only did not stop him but actually threw a tantrum after the place was shut down. The son was a drug addict and never worked but got paid just the same. On several occasions, he accepted gifts and 4,000 yuan from Wang Yinghan as bribes. A handful of section chiefs, bureau chiefs, and top policemen in the county public security bureau often ate and drank with Wang Yinghan and his gang. On 23 June 1991, Wang and his gang used explosives to kill or seriously injure several people. Li Wengang allowed the payment of compensation in lieu of punishment. Wang Yingyou killed and maimed people and committed many other crimes, and the county public security bureau tried to arrest him many times, but when a victim's mother twice discovered him and went back to the township to report to the deputy chief, Chen Mingcheng, he made excuses and declined to do anything. In an assault case, the section chief in charge of bails, Cai Kaibing, obtained crucial information from the victim and the witness identifying the suspect who did the shooting, but he failed to follow up with an in-depth investigation or arrest the suspect immediately; instead, instructed by Li Wengang, he used "insufficient evidence" and "illness" as excuses to let the prime suspect, who clearly was not ill, make bail while awaiting trial.

Statistics showed that since 1988, Wang Yinghan and his gang committed 28 crimes. Eleven of those crimes were never investigated. In six cases, the suspects were released even before the facts were made clear; in three cases, lesser charges were made; five cases were dismissed "privately"; one case drew no conclusion; and the procuratorate refused to prosecute one case, and only one case actually reached the court. Although more than 20 people in Wang Yinghan's crime syndicate were detained or questioned, none was charged with a crime; most were detained for a period of time and released for whatever reason. A key member in Wang Yinghan's crime syndicate was Wang Yingyou who participated in four separate crimes. One was a murder and three were assault cases. On 9 February 1992, he was seized by the public security organ but was bailed out by his brother, Wang Yinghan. And then there was Wang Yinghan's son, Wang Yucheng. On 5 June, 1992, he was arrested for assault and extortion. This man repeatedly committed crimes, and in particular, he was suspected of shooting Chen Xiuying, but because his father pulled strings for him, on 16 November 1993, all charges were dropped because the case was deemed "inconsequential."

Because leading members of Chengmai County's public security bureau were corrupt, degenerate, and derelict, the bureau was practically in a state of paralysis or semi-paralysis. Some policemen had other businesses on the side; some ran gambling-oriented video arcades; some served as bodyguards for bosses of private businesses; some took part in land speculation; some spent all day in dance halls and tea houses. The scheduling system was useless; nobody showed up for work on holidays; the public could not even report a crime. Violations of law and order by policemen were ignored.

A thoroughly corrupt county public security bureau naturally became the protective shield for the criminal elements.

Under the leadership of the provincial public security department, the Chengmai County Party Committee, and a new team in the county government, the county's public security bureau underwent rectification in August 1994. The problems exposed by the Wang Yinghan case were seriously dealt with. Former bureau chief, Li Wengang, and deputy chief, Chen Mingcheng, were arrested. Former deputy chief of the patrol team, Ceng Xiangjiao, was sentenced to a six-year prison term. Two patrolmen were arrested; four section, department, and brigade chiefs were suspended pending investigation; two policemen were interrogated; four patrolmen were detained, and 11 patrolmen were dismissed.

After rectification, the public security team's outlook has changed dramatically. In 1994, they solved 71.6 percent of all cases, an increase of 7.4 percent over the previous year's record; 75.4 of the important cases were solved, an increase of 14.4 percent. The county's backlog of cases have basically been cleared, and the public security situation has greatly improved.

#### \*PLA Holds Meeting on Taiwan Strategy

*95CM1074A Hong Kong CHENG MING /CONTENDING/ in Chinese No 208, 1 Feb 95 pp 25-26*

[Article by Yi Fan (2496 0416): "Chinese Communists Prepare Public Opinion for Attacking Taiwan With Force"]

[FBIS Translated Excerpt] [passage omitted] The small Third Auditorium of the Jingxi Guesthouse in Beijing was packed with people during the four days between 22 and 25 December 1994. However, it was not a party to send off the old year and greet the new one, but a closed-door session sponsored by the Ministry of National Defense and the People's Liberation Army General Staff Headquarters. It was a "report session on strategic policy on Taiwan." The military authorities attached great importance to this session. Attending the session were Zhang Zhen, Chi Haotian, Zhang Wannian, Hong Xuezhi, Zhang Aiping, Xiao Ke, and the responsible persons of various military services and arms, military academies and strategic and intelligence research units.

The Chinese Communist military authorities have held similar sessions in the past, but this session was somewhat different. The session was permeated with an atmosphere of "ten thousand years are too long; seize the day, seize the hour" and the feeling of urgently "liberating Taiwan." General views are summed up as follows:

1. It will be better to resolve the issue of Taiwan earlier than doing it later. This will help develop the entire country and stabilize Asia and the whole world.
2. In line with the current economic changes in Mainland China and Taiwan, the most appropriate time to resolve the issue of reunification across the Taiwan Straits is between the end of this century and the year 2005.
3. There is a change in Taiwan's political situation towards Taiwan independence. The basic strategy of Li Teng-hui's Kuomintang and the Democratic Progressive Party is to achieve the status of an independent political entity by gaining international maneuvering room and fully utilizing the U.S., West European and Japanese strategies towards China.
4. When the stance of Taiwan independence becomes apparent, international forces have meddled in Taiwan's high-level political and economic spheres, Taiwan has declared independence, or Taiwan has overtly carried out subversion against the mainland, it will be the appropriate time to use military action to smash these traitorous activities.
5. The policy of the Li Teng-hui authorities is to uphold the anti-Communist stand, internationally take part in the U.S. and Western strategy towards China, and support all antimainland policies and all the hostile forces against the Chinese government.
6. It is necessary to take the initiative and choose the appropriate time to enforce a limited maritime and aerial blockade to isolate the island of Taiwan, when the Taiwanese authorities continue to pursue the policies of "one China, one Taiwan," "two Chinas" and "Taiwan independence."
7. When the situation in Taiwan undergoes drastic political changes or when continuous chaos prevail there, it is necessary to take resolute military actions and pay a certain price to thoroughly resolve the issue of national reunification.
8. After achieving national reunification by military means, we should grant Taiwan Province and its areas all decision-making power with the exception of the power in handling foreign affairs, and ensure the implementation of the principle of "one country, two systems."

One point of the aforementioned views merits particular attention. That is: "It is necessary to choose the appropriate time to enforce a limited maritime and aerial blockade to isolate the island of Taiwan, when the Taiwan authorities continue to pursue the policies of... Taiwan independence."

What does it mean by "appropriate time?" It was not elaborated at the session. Actually there is grave hidden danger behind these highly subjective words. The Chinese Communists may strike first to gain the initiative at a time which they themselves consider appropriate. It is conceivable that even if the Chinese Communists enforce a limited blockade to isolate Taiwan, their action would cause great turmoil in the island. At that time, they can justifiably use military means to "quell the turmoil."

This "strategic policy" of the Chinese Communists is more scheming and calculating than the plan to attack Taiwan which the Taiwanese authorities have predicted. The Chinese Communists would be able to gain the initiative according to their own time table.

Will this kind of "general view" at this session become a part of the policy of the Chinese Communists towards Taiwan? We can see some clues from Chi Haotian's speech. Chi Haotian made a speech on behalf of the CPC Central Military Commission. He said: "Right now, Taiwan independence is the arch enemy of the Chinese nation. The plan to pursue the policies of Taiwan independence, one China, one Taiwan' and two Chinas' is equivalent to an open declaration of war. We have the initiative and the time table for national reunification, while the Taiwanese authorities have the choice of selecting peaceful reunification or resolving this issue militarily. They have no third choice."

He went on to harshly criticize Li Teng-hui: "The Taiwanese authorities still persistently adhere to an anti-Communist state policy.' They closely follow the strategy of the Western hegemonism towards China and seek to change the existing system on the mainland. They place their bet on the power struggle and internal turmoil which they expect to erupt during the post-Deng era on the mainland, and plan to replace the existing system on the mainland with the one in Taiwan. This has fully exposed the hostile stand persistently adopted by the Li Teng-hui authorities against any attempt to ease cross-straits tension", he added.

Since Chi Haotian said that Li Teng-hui has "persistently adhered to a hostile stand," then what about the cross-straits relations he was talking about? He said: "In essence, the relations across the Taiwan Strait remain tense. A state of hostility exists between the two sides of the straits. We hate to see such a situation, but this is a fact."

Chi Haotian strongly advocates using military means for national reunification. In conclusion, he said: "As long as the Li Teng-hui authorities refuse to change their existing cross-straits policy, we will use military means to resolve this issue in accordance with our set principle and policy. We will never allow the state of separation across the straits to continue. Nor shall we let the Li Teng-hui authorities achieve their target of Taiwan independence' or one China, one Taiwan.' From now on, our three armed services should be mentally, strategically,

and tactically prepared to deal with any interference by hegemonism and its followers."

It is reported that a total of 12 reports were read at the session. They were: report by the National Defense University, "Military Means, Choice to Achieve Cross-Straits Reunification"; two reports by Strategic Information Research Institute, "Military Means, Only Way To Resolve Reunification Issue" and "Development and Change of Taiwan's Political Situation Towards Taiwan Independence"; report by the Group For Study of Policy on Taiwan under the General Staff Headquarters, "Work to Liberate Taiwan Must Be Firmly Grasped and Implemented"; report by the Group For Strategic Study on Taiwan under the Academy of Military Sciences, "Only by Reunifying the Nation, Will There Be Everlasting, Peaceful Environment for Development"; and

two reports by the International Military Strategic Research Institute under the CPC Central Military Commission, "U.S., Japanese Strategy Towards China: From Keeping Taiwan Straits Split to Creating One China, One Taiwan" and "Deadline for Peaceful Reunification Set Between End of 20th Century, Beginning of 21st Century."

By merely looking at these saber-rattling titles, we can easily guess the contents. It is not difficult to see that the Chinese Communists are now vigorously preparing public opinion for the issue of "liberating Taiwan." According to Chi Haotian's logic, Li Teng-hui still persistently takes a hostile stand, and cross-straits relations remain hostile. Then, it will be a "matter of course" to use arms against Taiwan. [passage omitted]

### General

#### Zhu Rongji Says Anti-Inflation Measures Successful

HK1404063695 Beijing CHINA DAILY in English  
14 Apr 95 p 1

[By Xu Yang: "Zhu is Optimistic on Inflation"]

[FBIS Transcribed Text] China's economy in the first quarter of this year was "far better" than in 1994, remarked Vice Premier Zhu Rongji yesterday in Beijing.

Zhu attributed this achievement to the successful anti-inflation measures the government has adopted.

February witnessed the first inflation rate below 20 per cent in eight months, 19.7 per cent.

The vice premier, who is also the governor of the People's Bank of China, was describing China's economic situation to the visiting British former Prime Minister Edward Heath, who was very interested in the inflation issue in China.

Zhu told Heath that the major anti-inflation measure is cutting the investment scale.

But the cut is not a massive cut, Zhu stressed, it is mainly focused on real estate development projects.

He said that investment in key infrastructure and high-tech projects has not decreased and on the contrary will get a boost.

Foreign investors will not be affected by the tightening of the money supply, Zhu assured.

He also explained the causes of China's severe inflation challenge.

"It was not runaway inflation" Zhu argued.

He blamed a shortage of agricultural products last year, and the subsequent price hikes that followed for much of the problem.

He told Heath that the price rise has motivated farmers to plant more this year.

He said a good harvest is expected, and with the increase of supply, inflation will be brought under control.

#### Zhu Rongji Inspects Shanghai, Urges Further Growth

OW1304163795 Beijing XINHUA in English 1509  
GMT 13 Apr 95

[FBIS Transcribed Text] Shanghai, April 13 (XINHUA)—Chinese Vice-Premier Zhu Rongji called on local officials in Shanghai to put equal emphasis on material development and ideological progress in the opening-up and development of the Pudong New Area.

During his inspection tour from April 6 to 13, Zhu, who is also a member of the Standing Committee of the Political Bureau of the CPC Central Committee, looked into the city's current economic construction and the development of the Pudong New Area, which is now celebrating its fifth anniversary.

The vice-premier also urged local officials to strengthen ideological development, while increasing the number of scientific and technological projects, and cultural facilities, in Pudong's major projects.

Zhu listened to work reports from local officials and made an on-the-spot inspection of the city's major construction projects, including the Waigaoqiao Free Trade Zone in Pudong and the city's new No.1 subway line.

He said that the progress of the Pudong New Area over the past five years has been encouraging in building basic facilities and establishing a socialist market structure, thus helping prove that the decision of the CPC Central Committee, the State Council, and senior leader Deng Xiaoping about developing and opening up the Pudong New Area was completely right.

"It will take more years of intensive building and development to build Shanghai into 'one dragon head, three centers of industry, commerce, and finance,'" said Zhu, urging local officials to improve overall planning and implement various reforms in a planned and methodical way, so as to reach the great goal.

#### Li Peng Inspects Shanxi 7-11 Apr

OW1304114495 Beijing XINHUA Domestic Service in Chinese 0350 GMT 12 Apr 95

[By XINHUA reporters Sun Benyao (1327 2609 1031) and Chi Maohua (3069 5399 5363) and SHANXI RIBAO reporter Zhang Yongsi (4545 0516 1835)]

[FBIS Translated Text] Taiyuan, 12 Apr (XINHUA)—During his 7-11 April inspection tour of Shanxi, Premier Li Peng stressed that Shanxi Province should fully demonstrate its advantages as the nation's major energy producing center. It should promote comprehensive development centering on coal production, turn its abundant resources into economic strengths, and improve efficiency to advance its economic growth.

In early spring, Shanxi's earth is covered with green wheat seedlings and new leaves sprouting on the willows. It is evident that spring is in the air. Premier Li Peng, accompanied by Hu Fuguo, Shanxi Provincial CPC Committee secretary, and Governor Sun Wensheng inspected Changzhi, Pingshun, Jincheng, Taiyuan, Suozhou, and other counties and cities between Taihang Shan and the Yanmen Pass. He visited workshops and the fields, attended meetings, talked to people, and conducted research and investigations on ways to develop coal and electricity production, invigorate large and medium-sized state-owned enterprises, consolidate

the position of agriculture as the economy's foundation, and solve problems in infrastructure development. He also urged relevant departments to earnestly and quickly solve problems in work.

After listening attentively to a briefing on the work done by the Shanxi Provincial CPC Committee and government, Comrade Li Peng pointed out: The situation in Shaanxi is good. There has been progress in economic construction and social development year after year. It has also done a pretty good job in regard to spiritual civilization and social stability. He fully affirmed the spirit of plain living and hard struggle displayed by the vast number of cadres and masses in Shanxi in the course of reform and opening up. He believes that this is the kind of spirit we should promote nationwide.

Li Peng pointed out: Shangxi is an important energy production base for China. The province produces 300 million metric tons of coal a year, accounting for over one fourth of the nation's total. The 200 million metric tons of coal that is shipped out of the province annually accounted for two thirds of the coal shipped out of producing areas, making great contributions to the state. Coal accounts for 80 percent of China's current production of non-renewable energy. There will be no drastic change in the near future in this energy structure dominated by coal. Shanxi has made great contributions to the state and will continue to make greater contributions in the future.

Li Peng pointed out: The principle of "digging coal, transmitting electricity, diverting water, and building roads," as outlined in Shanxi's industrial policy, conforms with Shanxi's actual conditions and the nation's industrial policy. Shanxi has now found a path; that is, building thermal power stations near coal mines to change from shipping coal to transmitting electricity. In this way, the province will simultaneously ship coal and transmit electricity. This approach will increase coal's added value and lighten the transport burden.

Li Peng inspected the Jincheng Mining Bureau, the Antaibao opencut coal mine, Dongyi Colliery, the construction site of the Yangcheng Power Plant, the No.2 Shentou Power Plant, and the Shanxi Chemical Fertilizer Plant. Later, Li Peng commented that as the market changes, demands for coal of higher quality will increase. We must upgrade coal quality to meet market needs. Coal mines should become comprehensive enterprises centering on coal production while engaging in other lines of production. The output value of the primary products of Shanxi's extractive and raw materials industries account for about 50 percent of Shanxi's industrial output. We should increase, step by step, the proportion of intensively processed and hi-tech products, raise the added value, and improve economic returns.

Li Peng showed great concern for the living and working conditions of coal miners. At the Fenghuangshan Coal Mine under the Jincheng Mining Administration, Li Peng cordially held talks with miners. He asked them

about working under the pit, and the safety and living conditions of staff members and workers. When Xu Quanli, deputy leader of a mining team, told him the pit had had no accidents for eight years and that the miners overfulfilled state production quotas every year, Li Peng happily said: "You coal miners have been working vary hard and have made great contributions to the state: the state and people are obliged to you!" With tears in his eyes, Xu Quanli said: "My father was an old miner. He was received by Premier Zhou in 1962. Today I too have met with Premier Li. I am greatly moved. We are determined to produce more coal to support national construction."

During the inspection tour, Li Peng went to the Taiyuan Iron and Steel Company to inspect the hot rolling mill and the Zhashan Mine contracted by Li Shuangliang. Later, he held a discussion meeting with the persons in charge of a number of state-owned large and medium sized enterprises on how to improve state-owned large and medium-sized enterprises. After carefully asking them questions on such issues as the changing operational system and administration and the income of staff members and workers, Li Peng said: The fundamental way to invigorate state-owned enterprises lies in deepening reform. Practice has shown that state-owned enterprises can be invigorated in a socialist market economy and we should have full confidence, but this requires sustained and arduous efforts. He emphatically said that, in improving state-owned large and medium sized enterprises, stress should be laid on key enterprises. At present, we must first improve state-owned large and medium sized enterprises because they are related to the national economy and the people's livelihood. The conditions of various enterprises are different, and so we must proceed from reality and solve the main contradictions and problems of respective enterprises.

Li Peng also showed great concern for agriculture. He pointed out: Shanxi is a base for heavy industry, but we must still strengthen the agriculture that occupies the foundation position. When inspecting agricultural work at Liu Village in Pingshun County, Li Peng pointed out: In expanding a socialist market economy, we must strengthen and expand agriculture. Under the leadership of the party branch, village people have made use of every bit of time and space; utilized all hilly and waste lands, planted pepper, apple, walnut, and other fruit trees; and vigorously developed economic forests. The methods are very good. He praised the Liu Village for opening up a new way for improving living conditions for people in mountainous areas.

Li Peng hoped that while promoting modernization, Shanxi would consider the fact that there are still 36 poor counties in the province and actively help people in those counties eliminate poverty as quickly as possible.

Shansi lacks water resources and this has limited economic development and adversely influenced people's living conditions. Li Peng showed great concern and

attached great importance to the project of diverting water from the Huang He in Shanxi. After hearing a report on the project, Li Peng pointed out: The project of diverting water from the Huang He is quite important to the Shanxi's sustained economic development, we must work hard continuously, and do things in a solid way according to the economic law. Owing to natural conditions, the problems of water shortages will exist in Shanxi for a long time. Therefore, according to the policy of utilizing water resources, we must not only open up new water sources, but also vigorously advocate water conservation. We should rely on the progress of science and technology to develop industry and agriculture that can use water economically.

Touching on the issue of commodity prices, Li Peng said: Controlling price increases is a principal task in this year's macrocontrol. Although the inflation situation has been alleviated at present, governments at all levels must place the work of stabilizing commodity prices in a very important position and not slacken their efforts in this respect. We must continue to take effective measures and ensure that the inflation rate will meet state demand and be significantly less than that of last year.

Commenting on the building of large-scale infrastructure construction projects, Li Peng emphatically pointed out: Capital construction projects should suit the needs, be built according to ability, and have economic results. We must strictly proceed according to the priority of various capital construction projects. In particular, we should attach importance to the feasibility of those projects. Funds for capital construction projects must be arranged to ensure completion of construction work, and this is also an important guarantee for completing those projects within a reasonable period and increasing economic results from investment.

Persons in charge of concerned departments of the State Council who accompanied Premier Li Peng on his inspection tour included Chen Jinhua, Wang Zhongyu, Wang Senhao, Han Zhubin, Niu Maosheng, Cha Keming, Dai Xianglong, and Jiang Yunbao.

#### **Enterprises Urged To Link Production With Demand**

*OW1304163695 Beijing XINHUA in English 1608 GMT 13 Apr 95*

[FBIS Transcribed Text] Wuhan, April 13 (XINHUA)—Vice-Premier Wu Bangguo said that State-owned enterprises should gear their production to market demand and stop producing unmarketable products.

During his April 7-13 tour of central China's Hubei Province, the vice-premier told local government officials that they should help State enterprises adjust production according to market needs, by shifting credit, energy, raw materials supplies, and priority in shipment.

Enterprises producing unmarketable goods should stop production and shift to more popular items, he said, adding that market studies and forecasts should be made with a concerted effort.

For this purpose, he said, the restructuring and merging of enterprises should be carried out carefully to maximize the allocation of assets.

He urged local officials to implement those policies of the National People's Congress, which ended its annual session last month—to boost agriculture, curb inflation, and broaden reforms in State enterprises—and to seek every possible opportunity to be gained from the expansion of the Pudong New Area in Shanghai, the Three Gorges Project, and the Beijing-Kowloon Railway which runs through the province.

The vice-premier visited a number of places, including Wuhan, Huangshi, and Xiaogan cities, Hong'an County, and a dozen large State enterprises, including the Dongfeng Automobile Group, one of the country's leading automobile bases.

#### **Zou Jiahua, Song Ping Inscribe for New Economic Paper**

*OW1404013895 Beijing XINHUA Domestic Service in Chinese 0816 GMT 8 Apr 95*

[By reporter Li Anding (2621 1344 1353)]

[FBIS Translated Text] Beijing, 8 Apr (XINHUA)—The first issue of ZHONGGUO JINGJI DAOBAO [CHINA ECONOMIC HERALD 0022 0948 4842 3444 1418 1032] was published today under the State Planning Commission's auspices. Zou Jiahua and Song Ping wrote inscriptions for the publication.

Articles in the first issue of ZHONGGUO JINGJI DAOBAO describe in detail the content of China's first "economic white paper" entitled "A Revelation of China's 1995 Policy Goals on Macroeconomic Regulation and Control."

She Jianming, State Planning Commission vice minister, said: As the State Council's department in overall charge of national economic and social development, the State Planning Commission has the unique advantage of keeping track of the macroeconomic policies, laws, and regulations of the party and government, and obtaining relevant information. ZHONGGUO JINGJI DAOBAO will make full use of this advantage and strive to become a national economic publication that provides information in a timely and comprehensive manner. On the one hand, ZHONGGUO JINGJI DAOBAO will accommodate the need to change the State Planning Commission's functions, and make planning more scientific and transparent. On the other hand, it will transmit the policies and directives of the party and government so that people at home and abroad will understand China's strategies for national economic and social development, goals on macroeconomic regulation and control, and various policies and measures in a timely manner. This will help guide, regulate, and control social and economic activities.

**Official Proposes Expanding Fire-Fighting Capability**

*HK1404064695 Beijing CHINA DAILY in English 14 Apr 95 p 2*

[By Ma Chenguang: "Rise in Fires Requires Larger Crew of Fighters"]

[FBIS Transcribed Text] China's top security official yesterday signalled an expansion of the country's fire-fighting capability to deal with an increase in blazes.

Public Security Minister Tao Siju said the rise in fires cost the State millions of yuan a year.

Tao said the State's current 103,967 fire-fighters were far from enough to cope with the new trend.

He said fire perils have increased—because of the fast pace of economic growth and social changes.

China recorded 39,120 fires last year—260 of them major infernos.

They claimed 2,821 lives and cost a property loss at 1.2 billion yuan (\$141 million).

Serious blazes often affected new enterprises, including entertainment centres, hotels and department stores.

"It is impossible and unreasonable to let our fire-fighters to solely shoulder the ever-heavier fire fighting work both in urban and rural areas," Tao told the closing session of a national conference on fire control in Beijing.

He proposed a team of State fire police, regional firemen, self-funded firemen and volunteers be established to face China's fire hazards.

"State fire police will be mainly stationed in big cities and major zones, while in small cities and counties, there could not be new fire police," he said.

Already, with improvements in the economy, several localities have formed their own fire brigades.

They include 6,000 regional public fire-fighters, 100,000 specially-trained personnel in enterprises and institution, and 16,000 township firemen.

Tao said increasing damage to property and life has alerted the State to stress fire safety and precautions.

Plans include improving outdated fire-fighting equipment.

China plans to reach world standards in fire-safety by 2010.

Chinese fire-men, Tao said, should strengthen supervision on fire-precaution.

The programme should include checking high-rise blocks, underground buildings, hotels and public facilities including stores and entertainment centres.

Serious violations should be publicized, violators can be questioned, taken into custody and their businesses can be closed, Tao said.

**Official Reveals Plan To Expand Notary System**

*HK1404054495 Beijing CHINA DAILY in English 13 Apr 95 p 1*

[By Ma Chenguang: "Notary System Due For Expansion"]

[FBIS Transcribed Text] The government is expanding and invigorating its notary institutions to let China's notaries better serve a fledgling market economy.

The move is part of the ongoing reform of the national legal system.

A senior Justice Ministry official yesterday revealed a four-step plan: Increase the number of notaries, change the role of notary organizations, extend services to Hong Kong and quickly formulate the draft Notary Law.

Notary Bureau Director Xu Jian said that with the advance of the economy which prompted more Chinese to apply to 3,114 notary institutions, there was a push to expand the scope of the notary's service.

Notaries currently certify legal acts, facts and documents in civil and economic affairs, including contracts, signatures, inheritance rights, child adoption, custody of wills, donations and authenticity of copies.

Xu said that a nationwide examination, which drew 6,000 applicants, was held in February as a way to enlarge the number of notaries.

The aim is to absorb some qualified personnel into the team of China's present 10,600 notaries Xu said, adding that the result of the test will be made public next month.

Xu said China is to increase the number of notaries to 30,000 by the year 2000.

The notary work of China began in 1946, took a boom in 1950s, was dismantled in the chaotic years of "cultural revolution" and rehabilitated in 1978.

In another move, the Justice Ministry has required the notary organizations to change from State organs into independent institutions managing their own business and welfare.

Xu said this painful but necessary transformation is conducive to letting the notaries become "servants" instead of "masters" for the clients, and increasing their initiatives to earn more profits.

Presently, with a low service charge, China's notary institutions only earned about 400 million yuan (\$47 million) in income last year.

So far, more than 60 notary institutions have undertaken the reform.

But he was frank about the difficulties ahead: a necessary rise in the service charge which is unwelcome for most clients, a business tax for the organs after becoming institutional organizations and the lingering administrative interference.

In the third step, Xu said, the ministry is taking measures to appoint some Hong Kong lawyers to become China-appointed Notaries (Hong Kong) "to handle the increasing notarization businesses in HK."

Then HK residents will not have to travel to the mainland for the notarization of civil and economic affairs, Xu noted.

The ministry tested some 170 applicants last month in Hong Kong, and more than 80 per cent of them qualified.

Xu said the qualified ones will receive certificates from the ministry in two groups, in May and October, in Beijing.

Since 1981, China has appointed 87 HK attorneys as notaries, Xu said, adding that they handled at least 80,000 notarization cases last year.

Meanwhile, Xu said, a draft Notary Law is being prepared and is expected to go to the National People's Congress for approval later this year.

"This will lay a legal foundation for the notary service," he said.

#### State To Impose Fees on Marine Resources

HK1404063895 Beijing CHINA DAILY in English 14 Apr 95 p 4

[By Fu Jian: "Fees Should Mend Marine Resources"]

[FBIS Transcribed Text] Marine resources should be better utilized as China adopts commercial operation on State-owned properties. Fees will be imposed on exploitation of sea and water resources, and on transactions of the exploitation rights, according to new codes of the State Administration of State Property (SASP). This, as well as similar steps adopted on the exploitation of land, mineral, forest and other natural resources, is "the basic way for China to extricate itself from a difficult position in natural resource utilization," according to Pan Yue, deputy director of the SASP. Feeble regulation and backward technology in natural resource exploitation has caused excessive extraction and huge waste, Pan said. Low efficiency in resource utilization has restricted national economic development.

Despite its 3 million square kilometres of territorial waters, China's marine resources utilization is unsatisfactory, according to the National Bureau of Oceanography (NBO).

The gross product value of national marine industries was 140 billion yuan (\$17 billion) last year, making up merely three per cent of the 4,380 billion yuan (\$521

billion) gross domestic product (GDP). In advanced countries the proportion is usually 10 per cent.

China holds less than one per cent of the entire output value of marine industries worldwide.

"There is great potential in China's marine resource exploitation," said Lu Shouben, Director of the Department of Comprehensive Management of Marine Resources under the NBO.

Less than one per cent of China's territorial waters and seaboard shallow land have been well utilized, he said; most other areas are left idle, or are exploited by other nations.

Effective systems and advanced technologies are needed to improve the exploitation of marine resources, said Lu.

Although the gross product value in national marine industries has grown quickly—by 17 per cent annually in 1980s and 28 per cent in the early years of the 1990s—China has not succeeded in modernizing marine industries.

The traditional industries of fishing, salt and transportation, which are not profitable, make up 80 per cent of the gross product value. Newer industries such as aquatics breeding, tourism and marine energy generation have scarcely been developed.

Nonstandard and underdeveloped operations in the industries have caused large problems: excessive extraction, waste, and pollution.

Collecting fees is expected to improve efficiency in utilizing resources and will also enrich State coffers, according to the SASP.

Enterprises will avoid extensive but inefficient extraction if they're paying fees for exploitation, according to Pan.

The SASP and NBO have jointly started experimental work in Cangzhou City, Hebei Province, to register the marine resources in a seaboard belt area. Similar trials have also been carried out in two other cities in the Province.

The SASP will co-operate with the Ministry of Metallurgical Industry, Ministry of Coal Industry and Ministry of Forestry to implement the fee-collecting programme.

Lu, at the NBO, also said that while China may allow other nations to exploit marine resources, it won't give up control of such resources within its territory.

"China should expand its exploitation and consolidate its right on these resources," Lu said.

#### Gold Industry Suffering From Inadequate Investment

HK1404061295 Beijing CHINA DAILY in English 13 Apr 95 p 1

[By Xiao Pei: "Inadequate Investment Hurts Gold Industry"]

[FBIS Transcribed Text] Inadequate investment has restricted the development of China's gold industry, said Xu Daquan, Vice-Minister of Metallurgical Industry, at a national conference which ends today in Beijing.

The government planned to invest 8 billion yuan (\$952 million) in fixed assets in the gold industry between 1991 and 1995.

But, by the end of last year only 4 billion yuan (\$476 million) was actually put into the industry's expansion, Xu said.

In 1994, China invested 920 million yuan (\$109.5 million) in the gold industry for expansion and renovation. But the industry failed to fulfill the yearly target because loans did not come on time.

Xu said China will invest 1.44 billion yuan (\$171 million) this year to develop the industry.

He called on domestic gold producers to accumulate capital by themselves to expand production and introduce advanced technology.

The central government has raised gold purchase prices and exempted gold producers from value-added tax, which has sharply boosted gold companies profits.

Last year, gold industrial sales increased by 31 per cent. All the country's gold producers were profitable, with total profits exceeding 2 billion yuan (\$23 million).

Xu hopes gold producers will inject part of their profits into expansion projects to ease the money shortage.

To secure the industry's healthy development, China will invest more money in geological prospecting of gold resources he said.

So far, no world-level large gold mine has been found in the country.

China's gold output has been growing at an annual rate of 10 per cent over the past decade.

Shandong, Henan and Shaanxi provinces were China's top three gold producers last year.

Xu reiterated gold producers must sell all their production to the central bank.

#### **'Three No's' Enterprises To Be Sorted Out**

**HK1404020095 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 5 Apr 95 p 2**

[By staff reporter Luo Lan (5012 5695): "State Is Exercising Closer Supervision and Stricter Control Over Enterprises By Checking Up on 'Three No's' Enterprises According to the Law"]

[FBIS Translated Text] The State Administration for Industry and Commerce made a decision a few days ago that the state will exercise closer supervision and stricter control over enterprises this year by sorting out,

according to the law, those enterprises "without funds, sites, and offices." This has been made the administration's principal task for 1995.

A person in charge of the administration said: A survey of enterprises in 13 provinces, autonomous regions, and municipalities shows that the funds available to as many as 71,500 enterprises are 50 percent lower than their registered capital, and that over the years the funds provided by foreign-funded enterprises across the country are only 67.4 percent of their registered capital. In recent years, more and more enterprises have failed to put sufficient funds in place as required, especially those economic entities and township enterprises newly set up by party and government departments, institutions, and mass organizations.

In another development, though many enterprises have constantly adjusted their staff and setups, changed their addresses, and reorganized their business with the development of the market economy, they have not gone through procedures necessary for the change. According to statistics compiled by the Jiangsu Provincial Industrial and Commercial Bureau, enterprises in violation of registration regulations accounted for 7.3 percent of the total. An annual examination of 2,748 million enterprises in 11 provinces and autonomous regions revealed that 52,000 of them, accounting for 2 percent of the total, had suspended operations for one year, or had done so after they had operated for six months. Of the 7,070 enterprises that did not pass the annual examination, 6,033 were unqualified legal entities, and 1,037 had to be closed for reorganization. Some foreign-funded enterprises carried out purely commercial activities without prior approval of the registry office.

The offenses committed by "three no's" enterprises ranged from commercial swindles to criminal offenses, speculation, smuggling, exploiting loopholes in laws, and evading taxes.

The State Administration for Industry and Commerce has made unified arrangements and set up a special work team to sort out "three no's" enterprises. The licenses of "three no's" enterprises will be withdrawn once their disqualification is confirmed. Those enterprises at which funds fall short of registered capital will be required to fill the gap within a definite time, and those enterprises that fail in the annual examination will be required to "measure up to standards" within a set time. Owners of foreign-funded enterprises who fail to provide capital on schedule will be prosecuted according to relevant state laws, or have their licenses revoked, while those whose offenses are so serious as to constitute crimes will receive disciplinary sanction and be sent to the judicial organs to determine their criminal liability.

It has been learned that the State Administration for Industry and Commerce will focus on the circulation field in sorting out "three no's" enterprises. A report on the cases of some selected "three no's" enterprises that are especially deceptive, and are likely to cause the

greatest harm, will be distributed to all units across the country so as to alert them to the danger of similar cases.

**Commentary on Sorting Out 'Three No's' Enterprises**

*HK1404020295 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 5 Apr 95 p 2*

[“Economic Commentary” column by Luo Lan (5012 5695): “In Sorting Out ‘Three No’s’ Enterprises, What Matters Is To Really Put Various Measures Into Practice”]

[FBIS Translated Text] A few days ago, the State Administration for Industry and Commerce decided to exercise closer supervision and stricter control over enterprises by sorting out “three no’s” enterprises. This decision satisfied our wishes.

In appearance, “three no’s” enterprises are legal entities holding legitimate business licenses, but in fact, they are “bogus companies,” “without funds, sites, or offices,” and fail to meet the requirements for a legal entity. As they hold business licenses, they are especially deceptive, and thus have confused the principal ranks of China’s market. These enterprises have engaged in illegal operations and commercial fraud, and even have committed crimes, thus infringing on the legitimate rights and interests of the state, society, and people; seriously hampering the healthy development of reform and opening up; and disturbing the order of our socialist market economy. These problems have brought to light various irregularities inherent in enterprises themselves, as well as weak links in our registration, examination, supervision, and control of enterprises. The weak links have left loopholes for “three no’s” enterprises to exploit.

The determination of the State Administration for Industry and Commerce to sort out “three no’s” enterprises accords with the general trend of events and the feelings of the people. To make the task a success, what matters is to put various measures into practice, rather than simply acting for show.

Naturally, offices responsible for the administration and control of industry and commerce are duty-bound to exercise closer supervision and stricter control over enterprises by sorting out “three no’s” enterprises. However, this in no way is a duty exclusive to them. The task calls for appreciation, support, and coordinated efforts on the part of governments and leadership at all levels, and of the large numbers of enterprises and people. Only in this way can the measures to sort out “three no’s” enterprises be carried out without a hitch, can our economy be effectively brought out of chaos, can we prevent economic germs from contaminating the body of our market economy, and can we guarantee that the socialist economic reform will go ahead in a sound and steady manner.

**Official Views National Industrial Survey**

*OW1304161995 Beijing XINHUA in English 1427 GMT 13 Apr 95*

[FBIS Transcribed Text] Beijing, April 13 (XINHUA)—Chinese statistics officials said today that they will take steps to ensure the accuracy of the upcoming national industrial survey.

Li Qiming, executive vice-director of the General Office of the National Survey of Industry, announced at a press conference here today that multiple-responsibility methods and quality control measures will be taken so as to reflect a true picture of China’s industry.

He said that different types of questionnaires and indexes have been designed for State-owned enterprises, rural enterprises, and foreign-backed enterprises, and training of personnel will be bolstered.

The survey will cover production, sales, stockpiles, productive ability, prices, and market demand for some 5,000 different products and 3,000 types of equipment. Information about the companies that make the products and equipment will also be included.

**Foreign Institutes To Take Part in Industry Census**

*HK1404064495 Beijing CHINA DAILY in English 14 Apr 95 p 5*

[By Xiao Pei: “Country Welcomes Overseas Census Help”]

[FBIS Transcribed Text] China is willing to co-operate with foreign institutes to conduct the Third National Industry Census, State Statistics Bureau officials said yesterday.

The nationwide survey will provide useful data for foreigners to know the Chinese market and select co-operative partners, officials said.

Foreign institutes are welcome to take part in research and development of the data collected through the census and conduct special studies.

They also can provide assistance in equipment, funds, consultation services, and technical and professional training.

Officials said China will cooperate with foreign agencies to publish and distribute the survey data worldwide.

The large-scale census, which started earlier this month, is scheduled to be completed in two years.

The country’s 10 million industrial enterprises including State-owned enterprises, township firms and foreign-funded ventures, will be covered by the survey.

The census' main indicators for enterprises include financial conditions, labour and employment, production and sales value of stocks, product quality and key equipment and technical conditions.

Indicators for foreign-funded ventures also include the volume of foreign investment, nationalities of investors, investment income and profit distribution.

The government will adopt strict measures to guarantee the data collected is authentic and reliable, officials said.

In October, the National People's Congress will revise the Statistical Law in a bid to crack down on false reporting.

Millions of enumerators will be mobilized and trained to carry out this enormous survey.

#### **Group Established To Promote Quality Inspection**

*HK1404061495 Beijing CHINA DAILY in English 13 Apr 95 p 2*

[By Ma Zhiping: "Third Body to Ensure Top Quality"]

[FBIS Transcribed Text] The China Quality Inspection Association, a newly-established supervision group in Beijing, claims it will play a key role in promoting quality inspection in the country.

"The association has been established to serve the country's development of the market economy, which needs an authentic quality inspection system," said Li Baoguo, deputy director of the State Technology Supervision Administration (STSA) and director of the association.

"The association will work as a bridge between the government and enterprises and a link between inspection bodies in China," said the director.

There are now 234 inspection centres at the State level and more than 300 inspection institutions at the provincial and city level. The number of professional inspectors has reached more than 100,000, according to statistics from STSA, which is in charge of the nation's quality control.

"The organization will attach priority to the development of inspection teams because the general quality of the inspectors is not high," noted Li.

He also said inspection facilities need to be updated.

The association will conduct product quality supervision on a scientific and fair basis in a bid to protect consumers and promote public awareness about quality.

So far China has three quality control associations: the China Quality Control Association which promotes comprehensive quality control in the industrial production sector, the China Consumers' Association, which handles consumer complaints about products, and the new China Quality Inspection Association which co-ordinate quality inspection.

Ye Bolin, a quality supervision official and deputy director of the association, disclosed that about one-third of the so-called "standard products" stored in factories' warehouses turned out to be substandard during an inspection conducted by the State administration last year.

This indicates that the factories' own quality inspectors had a weak sense of quality responsibility and their technical level needs improving, Ye said.

The STSA will attach more importance to the study of key problems and leave the training of inspection personnel and the judging of quality disputes to the inspection association.

That group will also shoulder the responsibility of helping enterprises establish quality assurance systems.

#### **Guangxi To Accelerate Automobile Industry Growth**

*HK1404010095 Beijing ZHONGGUO XINWEN SHE in English 1251 GMT 13 Apr 95*

[FBIS Transcribed Text] Liuzhou, April 13 (CNS)—Rosy prospects in the automobile market is stimulating China to speed up the development of the automobile industry. Guangxi Zhuang Autonomous Region has drawn up a plan to realize an annual production of 300,000 automobiles in 1995.

Mr. Dong Shizhong, Director of Guangxi Machine Building Department, said that the automobile industry production base in Guangxi is located in Liuzhou, and the focal point of development is the small private car industry.

According to the plan, private car factories in Liuzhou will produce 150,000 small cars per year; automobile factories in Liuzhou will produce 70,000 diesel Dongfeng trucks per year; special automobile factories in Liuzhou 30,000 Jiefang trucks per year; and agricultural transportation automobile factories in Liuzhou will produce 20,000 automobiles for agricultural use per annum. To achieve the above targets, a total investment of RMB [Renminbi] 2.4 to 2.6 billion will be needed. The local government in Guangxi will provide US\$ 100 million; banks will provide loans of US\$ 100 million; enterprises will raise 10 percent of the fund; and part of the fund will come from foreign investment.

According to the calculation of the authorities concerned, if just a single item, for example, an annual production of 150,000 private cars, is achieved, the industrial output value of Guangxi will be RMB 12 billion and the profit tax will be RMB 3.2 billion, which can in turn bring along the development of the more than 120 local necessary equipment enterprises.

Government statistics show that in the first quarter of this year, small private car factories in Liuzhou sold 11,194 such cars, with sales revenue of RMB 350 million which set the highest record in history for a quarter.

**'Roundup' Views Shanghai Major Industry Growth**

*OW1404034995 Beijing XINHUA in English 0258  
GMT 14 Apr 95*

[“Roundup: Pillar Industries Flourishing in Shanghai”]

[FBIS Transcribed Text] Shanghai, April 14 (XINHUA)—Six pillar industries in this, China's leading manufacturing center are growing rapidly, with output value expected to shoot up 25 percent this year.

The industries—iron and steel, automobiles, telecommunications equipment, power station equipment, petrochemicals and household electrical appliances—are expected to turn out 150 billion yuan-worth of products in 1995.

They manufactured 120 billion yuan-worth of products, earned 144 billion yuan from sales and generated 25 billion yuan in profits and taxes in 1994, with increases ranging from 25 to 33 percent over the previous year. The figures contributed 36 percent, 45 percent and 55 percent to Shanghai's total, respectively.

New industries, including microelectronics, computers, modern pharmaceuticals and biological engineering, are also thriving, with output value rising to 20 billion yuan in 1994.

Shanghai began shifting to high-tech and capital-intensive industries in the late 1980s by undertaking 14 key projects, such as Santana cars, automatic telephone switchboards, 600,000-kw generating units, color TV tubes and a plant capable of manufacturing 300,000 tons of ethylene a year.

The Shanghai Volkswagen Automobile Company, a Sino-German joint venture, has built a total of 425,000 Santana cars, occupying half of the domestic car market. It will increase Santana production by 200,000 units a year upon the completion of the second-phase of an assembly plant.

Shanghai is now capable of producing 2.4-micron large integrated circuit boards and has begun turning out state-of-art 2.4-micron boards.

Over the past three years, production of telecommunications products focusing on optical products, facsimile machines, satellite telecommunications products and automatic switchboards has soared eight times.

A number of Sino-foreign joint ventures in the pillar industries have become mainstays of Shanghai's economy.

For example, the Shanghai Bell Telephone Equipment Manufacturing Company, a Sino-Belgian joint venture, has provided automatic switchboards with a total of 13.6 million lines to 1,200 telephone offices in 29 province-level areas since its establishment in 1984.

The company built switchboards with 4.45 million lines last year. Two years ago it began building a new plant in Shanghai's Pudong New Area. Involving an investment of 170 million U.S. dollars, the plant is designed to turn out automatic switchboards with 2.1 million lines a year.

The joint venture is rated as the largest automatic switchboard producer in Asia, and the third-largest in the world.

Almost all local enterprises with annual earnings from sales exceeding 100 million yuan are related to the six pillar industries.

Shanghai is now undertaking 18 key projects to speed up development of the pillar industries. Earnings of the industries from sales are expected to reach 350 billion yuan by the turn of the century, at least half of the city's total.

**Finance & Banking**

**Beijing To Intensify Crackdown on Counterfeit Money**

*OW1304125295 Beijing XINHUA in English 0908  
GMT 13 Apr 95*

[FBIS Transcribed Text] Beijing, April 13 (XINHUA)—Beijing will this year strengthen its crackdown on criminal offenses related to making, trafficking in and using counterfeit money, according to sources at the Beijing Branch of the People's Bank of China (PBC).

The government, co-operating with the customs and the public security departments, will move to intercept the fake money at customs inspection ports and intensify the crackdown on counterfeiters and traffickers, the sources said.

In order to enhance the public awareness of the phony bills, Beijing will also open training classes for bank workers and spread knowledge about forged notes among the general public.

The Renminbi yuan is the country's sole legal currency, and it is issued by the PBC, China's central bank.

“In recent years, especially after the big bills were issued, more and more fake money has been found in the city, which has seriously disrupted the city's monetary circulation,” an official with the PBC Beijing Branch said.

Since 1991, the city's public security departments have cracked some 100 fake money-related cases. In a 1993 case the total sum of counterfeit money ferreted out by the security departments reached more than one million yuan (about 119,000 US dollars), and the principal offender was given a life sentence by the local court.

According to sources at the city's public security bureau, most of the fake money is made abroad and transported to Beijing through underground channels from coastal areas such as Fujian and Guangdong provinces.

Of the fakes, 50 yuan bills and 100 yuan bills make up the majority, the sources noted.

Since 1948, when the PBC was established and started to issue currency, four versions of the yuan have been put into circulation, including some commemorative currency.

#### **Guizhou Governor Complains About Finance Policies**

*HK1404074095 Hong Kong MING PAO in Chinese 16 Mar 95 p A8*

[Report by MING PAO reporters team: "Guizhou Governor Complains About Decline in Financial Resource, Asks Central Authorities for Policy and Funds"]

[FBIS Translated Text] A financial and planning report has been under discussion in Guizhou, one of the poorest provinces in China. The provincial authority launched an offensive against central leaders including Finance Minister Liu Zhongli, who came to Guizhou to listen to local opinions, calling for them to provide policies and funds for the development of Guizhou.

Governor Chen Shineng took the lead in airing grievances. He said: After practicing the revenue-sharing system, the actual amount that Guizhou turned over to the state reached 210 million yuan, so that financial resources in the hands of the province have declined. He hoped that this part of financial resources could be retained by the province for the time being. As Guizhou's development depends primarily on the revenue from cigarettes and wine, he asked the central authorities to let Guizhou retain 60 percent of the increased revenue from cigarettes and wine before the year 2000. He also asked that agricultural taxes, amounting to 39.5 million yuan, be exempted from the 3.92 million "extremely poor" people whose income is below 200 yuan, and that another 30 million yuan be provided as subsidies. The central authorities allotted 300 million yuan to Guizhou for the solution of wages in default in 71 counties across the province, and an additional 50 million yuan has been provided every year as agricultural development funds.

Another representative of the provincial authority pointed out: The new state policy has caused the province to incur a deficit of 320 million yuan, so that its financial resources have decreased by 210 million yuan. The province now is behind in the payment of more than 300 million yuan as the salaries of institutions' staff members and workers. That is why the treasury of the provincial government has become "one that lacks enough food to eat." The 1994 budget for supporting agriculture was fulfilled by only 80 percent, which represented a fall of 8 percentage points as compared with 1993, and the proportion of capital construction in the total financial expenditures dropped from 16 percent to 9.8 percent. Therefore, the province asked the central authorities to give "assistance" in the near future.

Cigarette- and wine-making are Guizhou's pillar industries. A representative called on the central authorities to give up the revenue-sharing system, and to practice the original policy under which bank loans are repaid by taxes.

A representative from the wine-making industry said: Over the past few years, an investment of 500 million yuan has been used as technical transformation funds in factories producing maotai, of which 400 million yuan were loans provided by banks. Thus, they have to pay 40 million yuan to banks as interest each year. Their profits in 1994 totalled 230 million yuan, with 170 million yuan turned over to the state, mainly to the central government. He hoped that the enterprises could continue practicing the policy of bank loans' being repaid by taxes so as to reduce their burdens.

#### **First Visa Cash Machine Begins Operation in Guangzhou**

*OW1304161895 Beijing XINHUA in English 1357 GMT 13 Apr 95*

[FBIS Transcribed Text] Guangzhou, April 13 (XINHUA)—A Visa International cash machine, the first in China, began operation today in the terminal building of Baiyun Airport of Guangzhou, south China's largest city.

Li Ning, a former gymnastics champion, and an American counterpart, gave an on-the-spot demonstration on how to withdraw cash using a Visa card to hundreds of card holders.

The automatic teller machine (ATM), has been installed by both Visa International and the Guangdong Development Bank, which has taken the lead in introducing the Visa card to China.

Officials with the bank said a Chinese customer, using the Visa card, can get cash locally.

This could be an indication that China's financial system has begun to join the international network, the officials commented.

Visa International has already installed a total of 230,000 automatic cash machines in 87 countries and regions around the world, and has 390 million Visa cards already in circulation world-wide.

#### **\*Banks Ready for Treasury Bond Consignment**

*95CE0314B Beijing JINRONG SHIBAO in Chinese 25 Feb 95 p 1*

[Report: "Treasury Bond Sale Preparations Have Been Completed"]

[FBIS Translated Text] Five banks, the ICBC, AB, BOC, PCB, and CBC, have made conscientious arrangements for the 1995 treasury bond subscription, ensuring the offering for sale on schedule of the 1995 treasury bonds on 1 March 1995.

[This section is by Gong Hang (7895 5300)] Starting on 1 March 1995, the ICBC will become the Ministry of Finance's consignment agent for 40.5 billion yuan worth of three-year treasury bonds in the form of "treasury bond payment vouchers," to be the state bank with the largest consignment volume.

Since the ICBC regards the job of treasury bond sales as a key political mission to be emphasized, the whole bank has quickly implemented the early-stage preparation work for the 1995 treasury bond consignment sale. All branches are now rushing to print the treasury bond payment vouchers, with computerized savings banks having done a good job of drawing up and testing software programs, and the task of setting up financial accounting headings already completed. The ICBC's 24,000 savings branches are proceeding actively with all preparations for the treasury bond sale.

[This section is by Wang Lingling (3769 3781 3781)] To ensure the smooth sale of treasury bond certificates on 1 March, the AB has been organizing and mobilizing since mid-February, with all preparatory work now actively underway, and branches at all levels now in a "battle-ready" stance.

The AB is the exclusive sales underwriter for 24.3 billion yuan worth of 1995 treasury bond certificates, with the head office having allotted the exclusive sales task to all provincial branches. The AB head office has called on branches at all levels to do a good job of the sale organization and mobilization, doing a good job of publicity and mobilization, by answering well the public's pertinent questions.

The concerned AB articles, such as treasury bond payment vouchers and client payment receipt vouchers, are all ready.

[This section is by Zhong Yinzong (6988 6892 4844)] As the top-level self-run treasury bond firm, the Bank of China [BOC] is taking an active part in 1995 treasury bond sales, underwriting 13.2 billion yuan worth of three-year treasury bond certificates. On 1 March, the bank's treasury bond sales will begin in full scale.

To do a good job of 1995 treasury bond sales, the BOC head office has long since arranged this treasury bond issue by its banking system, with BOC branches in all areas conscientiously organizing and implementing. To ensure that treasury bonds are offered for sale on schedule on 1 March, all branches are emphasizing the task of printing and shipping treasury bond payment vouchers, as well as calling on all sales branches to aim at "better publicity and improved service," actively publicizing the treasury bond features of high yield, no risk, and easy redemption, and taking various steps such as setting up special treasury bond sales counters, advice stations, and doorstep service, for the convenience of customer purchases.

[This section is by Zhang Yuan (1728 1254)] The PCB has treated its 1995 treasury bond consignment as a

routine commercial banking job, starting with tightening its standard operation and management, and further improving its service quality, to ensure that the public can both buy and redeem.

In 1995, the PCB is underwriting 18.8 billion yuan worth of treasury bonds, up 3.6 billion yuan from 1994. And it will redeem 7.15 billion yuan worth of financial and enterprise bonds. With a heavy bond sale task, limited preparation period, and approaching bond sales and redemptions, this bank has issued in advance its consignment plans, drawing up tighter detailed implementation rules and regulations, as well as paying particular attention to improving standardized treasury bond management and redemption of mature bonds.

[This section is by Miao Liqun (4924 0500 5028)] The CBC completed its arrangements a few days ago for 1995 treasury bond subscriptions.

A concerned CBC official notes that as the PBC is applying in 1995 fund application proportional management to the CBC, this means that the CBC has to have good asset quality. Doing a good job of treasury bond subscription work will help the CBC to more rationally deploy and diversify its own asset structure, better avoiding risk, and meeting the commercial banking development need for firm operation. It is understood that the CBC's 1995 treasury bond subscription is up sharply from 1994.

## Foreign Trade & Investment

### Li Tieying Says Copyright Protection Long-Term Task

HK1404010695 Beijing ZHONGGUO XINWEN SHE  
in English 1309 GMT 13 Apr 95

[Copyright protection a long-term, complicated task in China, says State Councillor]

[FBIS Transcribed Text] Beijing, April 13 (CNS)—Speaking at the four-day conference of copyright protection bureau heads in Beijing today, State Councillor Li Tieying, stressed that copyright protection is a long-term and complicated task facing China. Copyright protection and law enforcement departments at various levels must do their best to combat copyright infringement according to law.

Li further said that protection of intellectual property rights is a very important part of China's reform and opening to the outside world as well as part of its legal system. In addition, protection of such rights is also an important system to guarantee the normal operation of the market-oriented economy and at the same time, it is one of the fundamental conditions for international exchange in technology and culture fields. With hard work of ten or more years, he continued, China has built up a comparatively accomplished legal system to protect copyrights.

Both the central government and the State Council have highly valued the work on copyright protection, Li added. At present, China's legislation in regard to protection of intellectual property rights is close to or up to international standard, and the Chinese government has taken a lot of actions to crack down on piracy. The anti-piracy operations are generally successful. In some regions, piracy activities which used to be very rampant have now been tackled, and serious infringement cases are accordingly dealt with. Protection of intellectual property rights has aroused growing concern in the community and people are now better aware of what intellectual property rights are.

In conclusion, Li emphasized that various grades of government bureaus responsible for copyright protection must review the current situation very carefully whereas the Party committees and governments at various levels must earnestly execute relevant copyright protection regulations promulgated by the State Council and at the same time strengthen publicity of legislation on copyrights.

#### Suzhou 'National Model' for Patent Protection

*OW1304130195 Beijing XINHUA in English 0831  
GMT 13 Apr 95*

[FBIS Transcribed Text] Suzhou, April 13 (XINHUA)—Suzhou, the famous traditional garden city in east China's Jiangsu province, has made marked progress in patent protection, becoming a national model in the field.

By the end of 1994 patent authorities of the city had approved of 2,244 patents from a total of 3,407 accepted applications, leading the way among small and medium-sized cities in the country.

Suzhou set up China's first international standard "enterprise patent workers association" in 1988, and introduced patent offices to enterprises as early as in 1990. To date, 95 percent of the city's 213 large and medium-sized enterprises have full or part-time patent workers.

Patent protection has already brought marked economic returns to the patent holders as well as users, local sources said.

For example, the city's 34 model enterprises in patent protection cited by the province, together with another 67, have increased their output value by a total of 1.22 billion yuan (about 143.5 million US dollars) in output value, 170 million yuan in pre-tax profits and 24.26 million US dollars in exchange earnings as a result of implementing 312 local patents. In addition, they generated 52.12 million yuan and 1.12 million US dollars by using patents from other parts of the country.

#### Shaanxi Issues First Copyrights

*OW1304020195 Beijing XINHUA in English 0127  
GMT 13 Apr 95*

[FBIS Transcribed Text] Xian, April 13 (XINHUA)—Liu Chengzhang, a writer in northwest China's Shaanxi Province, received the copyright No. 1 in the province early this month.

It's the first time for a province to issue the certificate since China's first copyright was registered in Beijing early this year.

No's.2 to 14 in Shaanxi were given to Jia Pingwa, Jingfu, and other writers on the same day.

All persons and units are encouraged to register his or her, or their, work to seek comprehensive protection, according to officials with the provincial copyright bureau.

China started the voluntary copyright registration system on January 1. In recent years the country has unveiled a series of laws and regulations and taken strict measures to protect intellectual property rights.

#### Beijing To Adopt New Regulations for Joint Ventures

*OW1404022595 Beijing XINHUA in English 0055  
GMT 14 Apr 95*

[FBIS Transcribed Text] Beijing, April 14 (XINHUA)—The capital will adopt a series of measures this year to improve management of joint ventures, in order to handle problems of investment and illegalities, according to a related department.

Under the new regulations, Chinese companies which use state property as investment must provide an official assessment of the property.

Ventures must also have any imported equipment examined before getting official approval, and certificates are needed for any equipment brought in by foreign investors as investment.

This is to crack down on imports of equipment of inferior quality, or inflated price and investment value.

Officials explain that this move is aimed at providing correct guidance for foreign investment, and to better protect rights and enhance the enthusiasm of overseas investors.

It states that any fraudulent behavior must be avoided, in an attempt to avoid possible losses in the cooperative work.

In improving services for joint ventures, the municipality has vowed to step up efforts to solve problems facing the ventures.

Various training courses on state policies and laws will be provided for those running joint ventures.

It is been revealed that Beijing has received formal approval of being treated as a coastal open city, meaning that overseas investors can expect more benefits, so that more joint ventures may locate in Beijing.

### Shanghai Foreign Trade Increases in First Quarter

OW1404132895 Beijing XINHUA in English 1035  
GMT 14 Apr 95

[FBIS Transcribed Text] Shanghai, April 14 (XINHUA)—Foreign trade for east China's port city of Shanghai has increased drastically in the first quarter of this year, according the city's customs office.

The total foreign trade volume through Shanghai port reached 8.36 billion US dollars in the first three months, 49.2 percent increase over the same period of last year. The export volume was 4.53 billion US dollars while the import volume was 700 million US dollars.

Experts attributed the increase to the development of foreign trade in east China as well as in the whole region of the Chang Jiang River valley. In the first quarter of this year, 43 percent of the goods exported through Shanghai port were from surrounding provinces and cities as compared with only 30 percent in the previous years.

Foreign trade for Pudong New Development Zone of Shanghai is specially active. The zone's foreign trade volume was 1.22 billion US dollars and its export volume was 192 million US dollars more than import volume to reach 707 million US dollars.

### Official: Nation To Combat Computer Software Piracy

OW1304125895 Beijing XINHUA in English 0853  
GMT 13 Apr 95

[FBIS Transcribed Text] Beijing, April 13 (XINHUA)—China will soon launch a serious fight against the piracy of computer software, it was announced here today.

An ongoing national copyright meeting revealed that the intensive operation will be carried out in software markets nationwide, focusing on the seizing of "roughly copied products on open sale".

"The campaign will be similar to the crackdown on compact discs which we launched last year," said Wang Huapeng, director of the copyright office of the State Copyright Administration.

"These illegal softwares were directly copied from the original ones without any authorization, and they are widely available among the markets," he said.

He added that the operation will treat everyone equally and without discrimination, no matter whether a culprit belongs to a government institute or a private company, or whether he uses the software for profit or not.

Pirated softwares are expected to be confiscated and destroyed, and the violators will receive administrative or legal punishments, he added.

If technical disputes over such questions as program development are involved, they will be mainly handled by the courts when lawsuits are brought in, he explained.

The government will also adopt strict measures to control the production of softwares, especially of CD-ROM.

In this regard, a contract registering system and origin identification system will be introduced, Wang said.

The State Copyright Administration has recently replaced the Ministry of Electronics Industry as the authorized administration to protect computer software, as the ministry itself is a computer and software producer, according to Wang.

### Industrial Census To Benefit Foreign Investors

OW1304131395 Beijing XINHUA in English 0822  
GMT 13 Apr 95

[FBIS Transcribed Text] Beijing, April 13 (XINHUA)—The data collected from the third national industry census will be helpful for foreign businessmen to assess the Chinese market and select ideal investment fields and co-operation partners, said an official from the State Statistics Bureau (SSB) today.

Li Qiming, director of Industrial and Transportation Statistics Department of the SSB, said that because the census is the most authoritative and comprehensive survey of China's industrial strength, it will be "of much value" for foreigners in deciding where to invest in China.

He said that the census, covering about 4,000 industrial products and over 3,000 items of equipment, can provide data ranging from production, sales, stock, production capacity, price, market capacity and enterprise situation to scale of structure, regional structure, assets and liabilities, profits and distribution.

Li said that China welcomes foreign governments, foreign companies and research institutions to co-operate with the bureau in utilization of the data from the census.

The official said that foreigners can take part in research and development of the data and conduct special studies in diverse areas, or assist in techniques, equipment or funds, or offer technical and professional training.

The official said that this year China will conduct pilot surveys, set the final plans, make personnel arrangements and have enterprises check their original records and accounts as well as production capacity.

The first five months of 1996 will be a phase for enterprises concerned to complete, check and turn in

questionnaires, he said. In June that year the bureau will start data processing, and tabulations and releases will follow.

Li said that an overall, systematic and accurate understanding of the actual situation of the development of the industrial economy is a fundamental basis for forming judgments on China's industrialization, adding that the census will help the government analyze and study the key issues concerning the development of industry and even the whole national economy, and to lay down medium- and long-term development plans and industrial policies.

Since 1985, when the second national industrial census was conducted, industrial production in China has been increasing by 17 percent annually, and the structure and quality of the industrial economy has also been improving continuously. Last year over 42 percent of the Chinese GDP came from industry.

Meanwhile, the number of targets in industrial statistical surveys has increased from 5.19 million to 10 million today. With more township enterprises and foreign-funded enterprises set up, the structure of property rights is undergoing great changes, causing drastic increases or decreases in state assets.

Under such conditions, the official said, it is vital to get to know the total amount and structure of China's state assets, but it is impossible to achieve this aim by relying on the routine statistical reporting system, hence this national industrial census.

#### **International Symposium on Special Economic Zones**

*HK1404010295 Beijing ZHONGGUO XINWEN SHE  
in English 1251 GMT 13 Apr 95*

[FBIS Transcribed Text] Haikou, April 13 (CNS)—The "International Symposium on China's Special Economic Zones [SEZ] Development", jointly organized by the China (Hainan) Institute of Reforms and Development and the United Nations Development Programme (UNDP), opened in Haikou today.

The symposium was attended by relevant leaders and experts from the Central Government, including Liu Fuyuan, Vice Director of the Research Office of the Special Economic Zones Office under the State Council; economists and theorists from the five main special economic zones, namely, Shenzhen, Zhuhai, Xiamen, Shantou and Hainan; representatives from the Shanghai Waigaoqiao Bonded Area; resident representatives of the UNDP in Beijing; economic scholars from the China affairs department of the Asian Development Bank; and economic experts from the US, Australia, Chile, Singapore, Germany, Taiwan and Hong Kong.

The SEZs have been established and developed in China for 15 years. They have made significant contributions

and fully exerted their roles as "windows" and "experimental fields" in promoting institutional economic reforms, foreign trade and economic development.

Chi Fulin, deputy head of the Standing Committee of the China (Hainan) Institute of Reforms and Development, said in an opening address that the development of the special economic zones is currently at a critical stage owing to the changing domestic and international scene. The SEZs face a series of important issues concerning the overall reforms and opening of China, for example, how to cope with changing international and domestic situations; how to create new advantages realistically; how to set new development targets according to international practices; how to search for new development models and strategies; and how to create new development stages.

The symposium will have an in-depth discussion on important issues confronting the special economic zones, suggested new models for SEZ further growth, and their recent development strategies.

#### **Foreign Investment Structure 'Much Improved'**

*OW1404074695 Beijing XINHUA in English 0718  
GMT 14 Apr 95*

[XINHUA "News Analysis": "Foreign Investment Structure Much Improved in China"]

[FBIS Transcribed Text] Beijing, April 14 (XINHUA)—China is enjoying a much-improved foreign investment structure along with the readjustment of industrial policies.

Official statistics show, In 1994 China actually utilized a total of 33.787 billion US dollars of foreign investment, a sharp increase of 30 percent over the previous year. However, the number of newly approved foreign-funded projects and the amount of promised investment declined distinctly.

The contrast, economists said, indicates that China has improved the structure of foreign investment in the country and there is no need to be alarmed at this.

The contrast is believed to be closely connected with the following reasons:

First, the government set limits to the approval of small-sized projects in 1994;

Second, many foreign investors adopted a wait-and-see attitude toward a series of reforms adopted in 1994;

Third, the overheated growth in fixed assets has been gradually put under control, and the investment in industrial projects has gained weight. Before 1994 a large proportion of the investment went to real-estate development and simple processing industries.

Fourth, to curb inflation, less money was issued, causing a shortage of matched funds for foreign currencies.

The utilization of foreign investment last year showed the following characteristics:

- The number of capital- and technology-intensive projects increased considerably;
- Real estate projects which had expanded excessively because of speculation have been brought under control;
- Large projects in energy and transportation have increased in number;
- Infrastructure and basic industries have become the hot spots for development;
- The investment in single projects increased by 30 percent from 1.33 million US dollars to 1.71 million US dollars;
- The proportion of foreign-funded industrial projects has increased.
- China is becoming a favorite investment target for transnational companies. More than 200 of the top 500 transnational companies have entered China's market.

These characteristics show that the Chinese government's efforts to readjust the foreign investment structure have paid off, and a more rational foreign investment structure has taken shape in the country.

At present, about 100,000 foreign-funded enterprises are operational in China, employing 14 million people. Most of these enterprises are operating successfully.

It is predicted that a more balanced foreign investment structure will appear under the guidance of the state's industrial policies.

The country will allow foreigners more access to new sectors in the country's considerable untapped market.

Minister of Foreign Trade and Economic Co-operation Wu Yi said that foreign investment is wanted for the introduction of advanced technology into the agriculture, energy, transportation, raw materials and infrastructure sectors.

Infrastructure alone will need 500 billion US dollars of investment before the year 2000.

Under the direction of industrial policies, more foreign investors went westward last year. The central and western part of China have huge market potentials. At present, 18 provinces and autonomous regions only take up 13 percent of the country's total investment.

To improve the efficiency of utilizing foreign investment, officials have made clear the policy that China will give foreign-funded firms the same treatment as their Chinese counterparts, simplify approval procedures and provide better information services, rather than simply reduce or exempt taxes for foreign-funded firms as a step to attracting more investment.

China is set to explore ways to renovate state-owned enterprises with foreign capital and to attract foreign capital by setting up joint-venture corporations.

It is learned that China will soon announce a list of destinations for foreign investment.

#### Economists: Yen Rise Not To Harm Sino-Japanese Trade

OW1304131195 Beijing XINHUA in English 0845  
GMT 13 Apr 95

[FBIS Transcribed Text] Beijing, April 13 (XINHUA/OANA)—Despite the devaluation of the US dollar and the appreciation of the Japanese yen recently, Sino-Japanese trade will keep its rising momentum, and there may be a boom in Japanese investment in China.

This was the view shared by economists with the International Trade Research Institute (ITRI) under China's Ministry of Foreign Trade and Economic Co-operation (MOFTEC). But they also told XINHUA that the appreciation of the Japanese yen will make it harder for China to pay back Japanese loans.

During the past few days, the exchange rate of the US dollar against the Japanese yen has hit a record low, and if industrialized countries do not take coordinated actions, the situation may be hard to change, according to Wang Huai'an, a professor at the ITRI.

Under such a situation, Sino-Japanese trade, although it will be affected, will keep on growing, for it is vital for the two highly-complementary economies to strengthen their trade ties, said Xu Changwen, director of the Japan Division of the ITRI.

He quoted statistics to illustrate the two-way trade growth under the appreciation of the Japanese yen during the past few years as 1990's bilateral trade volume was 16.6 billion US dollars while 144 Japanese yen could buy one US dollar; and last year's bilateral trade figure hit 47.9 billion US dollars-worth, at a rate of 102 Japanese yen to one dollar.

He attributed the trade growth to the rise in China's imports to meet its domestic market demand and its export competitiveness, adding that, with the growing Japanese investment in China, the latter will expand imports of machinery and exports of products from joint ventures.

Xu also noted that Japanese exports to China keeps on growing due to the export price-lowering measures taken by the Japanese side, estimating that bilateral trade this year will break the barrier of 50 billion US dollars.

Although Japanese investment in China is comparatively small, accounting for only 5.3 percent of China's total foreign investment last year, it is on the rise, Xu said.

Chen Wenjing, division chief and senior economist of the ITRI, held that, with further appreciation of the Japanese yen, Japan will seek overseas markets to lower its production costs, which in turn will enhance its investment abroad.

They predicted that there will be a wave of Japanese investment in China this year, which will be guided by the Chinese side into agriculture, infrastructure, and into central and western China.

On Japanese loans to China, Xu said that such loans have been playing an active role in China's economic development, while with the appreciation of the Japanese yen China will encounter difficulty paying back the loans.

By the end of last year Japan had provided China with a total of over 1,500 billion Japanese yen in loans, which is equal to about 7.5 billion US dollars. Now there are still about 6.7 billion US dollars left for China to pay back, which will be 15.99 billion US dollars if calculated at the current exchange rate, which is around one dollar to 90 yen.

He said that every time the Japanese yen appreciates by one yen, China's debts will rise by 200 million US dollars.

China has used these Japanese loans for infrastructure, which does not produce profits, thus the appreciation will drive China into a more difficult situation in this regard, he said.

#### **Boeing 777 Makes Debut; CAAC Officials Praise New Plane**

*OW1304161795 Beijing XINHUA in English 1519  
GMT 13 Apr 95*

[FBIS Transcribed Text] Beijing, April 13 (XINHUA)—The Boeing Company's latest commercial jet, the Boeing 777, had its debut in the skies over Beijing for about 40 minutes this morning.

Guangzhou-based Southern China Airline has ordered six of the planes, with the final assembly of the first of them to take place in Seattle next month.

The first Boeing 777 will serve the Guangzhou-Beijing air route beginning this November.

The plane that arrived today, which will serve United Airlines next month, had a smooth flight around the city this morning with senior officials of the Civil Aviation

Administration of China (CAAC) and representatives of major Chinese airlines and reporters from local media on board.

The Chinese passengers praised the new jet for its excellent flight and spacious cabin design.

The jet will fly to Guangzhou tomorrow for another flight demonstration.

Like other jets in the Boeing series, the Boeing 777 is expected to develop into several types, with ranges from 7,850 km to 13,670 km, according to an official with the Boeing Company.

He added that the Boeing 777, which is used by airlines in the United States, Britain, Thailand, Japan, Korea, and Brazil, sells for 125 million US dollars.

China had purchased or rented 224 Boeing aircraft, worth nine billion US dollars by February of 1994.

#### **First Quarter Increase for Foreign Trade in Beijing**

*OW1404022695 Beijing XINHUA in English 0051  
GMT 14 Apr 95*

[FBIS Transcribed Text] Beijing, April 14 (XINHUA)—Foreign trade for China's capital city of Beijing has increased in the first quarter of this year.

Statistics from the municipal Foreign Trade and Economic Commission show, the total volume reached 754 million U.S. dollars in the first three months, a 34.9 percent increase over the 1994 same period, of which 568 million was export value.

According to Xu Xiaoxi, deputy head of the commission, of 126 export companies, 26 were exporting their products for the first time. Exports of overseas-funded enterprises totalled 120 million U.S. dollars, 21 percent of the city's total export volume, he said.

Exports of steel and steel products, textiles, arts and crafts, and jewelry have also seen a great increase in the first quarter of this year.

The city has put great emphasis on expansion of overseas markets this year and has increased its exports to Australia, New Zealand and Southeast Asian countries, while maintaining its ties to Hongkong, Japan, the U.S., and the European Community.

Total export volume for the city was 2.1 billion U.S. dollars last year and the city plans to raise the number to 2.5 billion this year.

### East Region

#### Governor Attends Fujian Congress Meetings

HK1404074695 Fuzhou Fujian People's Radio Network in Mandarin 2300 GMT 1 Apr 95

[FBIS Translated Text] Fujian Governor Chen Mingyi yesterday attended the discussion meetings of the Xiamen, Ningde, Fuzhou, and Putian delegations to the current session of the provincial people's congress, and joined deputies from various localities in deliberating on the work report of the provincial government, as well as the planning and financial reports.

At the meeting of the Xiamen delegation, Chen Mingyi said: Xiamen is the window, and the locomotive for the whole province. It is also the window and locomotive for the southeast part of Fujian. Therefore, Xiamen should give consideration to the overall situation, and should pay attention to its link with the interior areas in order to create across-the-board advantages. The provincial authorities should support Xiamen's rapid development, and Xiamen should make contributions to the province's development. He hoped that Xiamen also would play a leading role in making comprehensive social progress.

At the meeting of the Ningde delegation, Chen Mingyi pointed out: Attention should be paid to increasing the link with the Chang Jiang delta area, and especially with Shanghai, in the course of accelerating the development of eastern Fujian, and its advantages should be used. The masses now say that there are many checkpoints along roads in eastern Fujian. The authorities concerned should make up their minds to solve this problem, and should have a broader vision. Obstacles to the circulation of commodities should be removed.

At the meetings with the Fuzhou and Putian delegations, Chen Mingyi stressed: It is necessary to grasp the current opportunity, and to adopt some substantial steps in the exchanges with Taiwan, thus further advancing reform and development in this province.

At the meetings with various delegations, Chen Mingyi also expressed his opinion on the problems in food supply, as some deputies had mentioned them.

#### Wu Guanzheng To Become New Jiangxi Secretary

OW1404090095 Beijing XINHUA Domestic Service in Chinese 0758 GMT 14 Apr 95

[FBIS Translated Text] Beijing, 14 Apr (XINHUA)—The CPC Central Committee has decided that Comrade Wu Guanzheng will assume the office of secretary of the Jiangxi Provincial CPC Committee, and that Comrade Mao Zhiyong will no longer assume the office of secretary of the Jiangxi Provincial CPC Committee and member of its standing committee.

#### Shandong's Qingdao City Continues Construction

OW1304125195 Beijing XINHUA in English 0925 GMT 13 Apr 95

[FBIS Transcribed Text] Jinan, April 13 (XINHUA)—Over the past two years 1.2 billion yuan (142 million US

dollars) has been spent on the infrastructure of a hi-tech industrial park to the east of Qingdao City in Shandong Province.

Qingdao is vying to become an international metropolis in east China. So far, household electrical appliances, computers, medical apparatus and biochemical industries have taken shape in the industrial park. The park has acquired the conditions for large-scale investment, according to Liu Shiguang, director of the park management committee.

The park now has a total road length of over 40 km, a program-controlled exchange capacity of 15,000 telephone lines and a generating capacity of 100,000 kw.

AT&T will set up its largest branch outside the United States in terms of both investment and production scale in the park. The US Hewlett-Packard Company will set up its first production base in Asia in the park. AB, the largest brewery in the United States, will set up a one million-ton joint venture with the local Tsingtao Brewery Group.

Qingdao is one of the most famous coastal resorts in China, and the hi-tech industrial park is expected to spur tourism. China's first dolphin aquarium will be opened there this summer. The International Beer Town will be able to host a million visitors on the basis of 500,000 last year.

By the end of February this year there were more than 1,900 enterprises in the park, with registered funds of 7.2 billion yuan. A total of 37 enterprises involve an investment of more than ten million US dollars each. The newly registered funds for February alone stood at over 600 million yuan, 13 times that of the same period of last year.

By the end of the century the park will become the hi-tech industrial center of Shandong, with a population of 300,000, Liu said.

#### 'Excerpts' of Shanghai Procurator Work Report

OW0604134895 Shanghai JIEFANG RIBAO in Chinese 1 Mar 95 p 3

[“Excerpts” of the Shanghai Municipal People's Procuratorate Work Report, delivered by Ni Hongfu, chief procurator of the Shanghai Municipal People's Procuratorate, at the Third Session of the 10th Shanghai Municipal People's Congress on 20 February 1995]

[FBIS Translated Text] Last year, procuratorial organs in Shanghai—under the leadership of the Supreme People's Procuratorate and the municipal party committee and under the supervision of the municipal people's congress and its standing committee—persisted in taking Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as their guide; focused on the overall interests of “seizing the opportunity, deepening reform, opening up wider, promoting development, and

maintaining stability" of the whole party and the whole country; conscientiously implemented the principle of "giving equal emphasis on two fronts and doing well on both;" strictly enforced the laws; went all out to handle cases; reinforced the function of supervision by the laws; fought ferociously against embezzlement, bribery, and other economic crimes; severely punished serious criminal offenders; and scored new achievements in the work; thereby making positive contributions to maintaining social stability, to promoting reform and opening up and economic construction, and to ensuring the establishment and perfection of the socialist market economic structure.

**1. Implement the Guidelines of Meting Out Severe and Swift Punishment and Concentrate Efforts To Investigate and Handle a Number of Major and Serious Cases of Embezzlement, Bribery, and Other Economic Crimes**

Procuratorial organs at all levels in Shanghai, in line with the overall arrangements for fighting corruption mapped out by the party Central Committee and the municipal party committee, carried out in-depth struggles against embezzlement, bribery, and other economic crimes; and concentrated efforts to investigate and handle major and serious cases; thereby maintaining a good investigation momentum. Last year, the procuratorial organs accepted a total of 16,545 cases, of which 11,906 involved clues to embezzlement, bribery, and other economic crimes, representing an increase of 42.2 percent and 44.4 percent over the previous year, respectively. The procuratorial organs placed a total of 1,811 cases of embezzlement, bribery, and other economic crimes on file for prosecution, an increase of 52.3 percent over the previous year. The total value of these cases reached 410 million yuan, or 62.1 percent more than the previous year. Of these cases, 90.6 percent were major and serious cases, up 12 percentage points over the previous year. Of the cases already uncovered; 209 were embezzlement and bribery cases, each involving 50,000 yuan or more, up 66.1 percent more than the previous year; and 211 were cases of misappropriating public funds of more than 100,000 yuan each. Of these cases, the largest amount of embezzlement was some 2 million yuan; bribery, 800,000 yuan; and misappropriation of public funds, some 40 million yuan. A total of 94 offenders who were cadres at and above the division level were brought to justice, an increase of 170 percent over the previous year; of these, five were bureau-level cadres. Meanwhile, the procuratorial organs also uncovered 1,169 cases of evading and refusing to pay taxes, swindling state export tax refunds, and forging value-added tax receipts, with a total value of 272 million yuan; and 58 cases of counterfeiting trademarks and manufacturing and marketing shoddy goods, with a total value of 17.93 million yuan. Through investigations, illegal money and goods equivalent to 260 million yuan, and tax arrears and other direct economic losses valued at 65.24 million yuan were recovered.

(1) The procuratorial organs investigated and handled a number of criminal cases involving functionaries of party and government organs and leading cadres. Such cases are the most prominent manifestations of corruption, and can directly affect the prestige of the party and the government in the eyes of the people, as well as social stability. Therefore, procuratorial organs at all levels attached great importance to clues to such cases, and placed a total of 41 cases on file for investigation and prosecution last year, representing a 490 percent increase over the previous year. Some of the cases involved leading cadres at and above the division level.

(2) The procuratorial organs investigated and handled a number of criminal cases involving functionaries of judicial departments who perverted justice and solicited and accepted bribes. A total of 55 such cases were uncovered, involving 23 public security personnel, three procurators, four judges, and 25 from reeducation and reform-through-labor and other judicial departments. Their abuse of power and violation of the law in the course of enforcing laws created a very harmful influence on society.

(3) We investigated some cases involving personnel from the industry and commerce, taxation, customs, and other administrative and law-enforcement departments who committed such crimes as abusing power to seek personal gains, and offering and accepting bribes. We investigated 70 such cases in the entire year and tracked down nine people from industry and commerce departments, 26 people from taxation administrations, 10 people from customs departments, and 25 people from land development and planning departments as well as other administrative and law-enforcement departments.

(4) We investigated economic crimes of graft and bribery committed by personnel from economic management departments. To coordinate the implementation of measures to strengthen macroeconomic regulation and control, procuratorial organs at all levels continued to earnestly investigate and handle criminal cases uncovered in the process of rectifying banking order and strengthening the management of negotiable securities, futures, and real estate markets. That year, 214 such cases were tracked down.

(5) We investigated and handled a number of criminal cases which could directly jeopardize the reform measures. We concentrated on investigating and handling criminal cases related to taxation reform, such as those involving acts of counterfeiting, reselling at a profit, falsifying, and issuing on the behalf of others the receipts for value-added tax [VAT]; criminal cases involving state-owned enterprises which appropriated state assets in the process of reform; and other criminal cases which took place in the process of building and developing the markets for various essential factors of production. According to statistics, 419 of the aforementioned cases were investigated and handled in 1993. Among them were 144 criminal cases related to VAT receipts, over 21

of which involved falsifying and issuing, on other people's behalf, VAT receipts worth over 10 million yuan. The case involving the highest amount of money was the one where 23 VAT receipts were falsified for taxes exceeding 100 million yuan in total, which when accepted and relevant taxes deducted would have incurred 14 million yuan in losses for the state.

(6) We investigated and handled a number of criminal cases committed by legal persons. Some enterprises, public institutions, organs, and groups engaged in criminal offenses to make illicit profits by evading and falsifying taxes, imitating trademarks, and falsifying and issuing VAT receipts on the behalf of others—activities which disturbed economic order and posed grave harm to us. We uncovered a total of 120 such cases last year.

(7) We pursued some criminals who were on the run after committing major economic crimes such as graft and bribery, tracking down that year 34 such criminals whose cases involved over 90 million yuan; 14 million yuan of the illicit money was recovered.

(8) We combined our efforts to handle cases with efforts to serve the economy and prevent crimes. We conducted more than 40 crime-prevention seminars in 1994; we set up, in 54 departments and concerns, crime-prevention networks which produced an impact on 1,000 units related to the departments and concerns; and we helped units, where 60 major criminal cases had occurred, to undergo specific reorganization and prevent further occurrences of similar crimes in the units.

## **2. We Cracked Down Heavily and Speedily on Serious Criminal Cases According to Law and Maintained Stability in Public Order**

Last year, municipal procuratorial organs approved the arrests of 14,085 offenders of various crimes, up 29.3 percent from 1993. They instituted legal proceedings against 14,514 offenders—41.7 percent more than the number in 1993—among whom were 2,225 criminals—a number 37.7 percent higher than in 1993—who committed such major and vicious crimes as those involving manslaughter, robbery, rape, serious injuries, and gangs of hooligans. In its struggle to "rigorously crack down on crimes," procuratorial organs at all levels insisted on early participation in investigative activities; upheld the principle of "being clear about the basic facts and obtaining conclusive basic evidence;" and concentrated on examining the requests for arrests and prosecution so as to speed up relevant processes. In keeping with the unified planning for the entire municipality, the procuratorial organs actively worked together with the public security, court, and other departments of politics and laws to conduct specific crackdowns and rectification targeted at prominent issues related to public order. They actively participated and undertook unified activities in such specific struggles as "anti-car theft" and "antipornography" campaigns, and campaigns taken to promote "better control and crackdowns on those who flee hither and thither after robbing others," and

approved the requests to arrest 10,466 criminals. They picked some commonplace cases which involved over 1,200 people and prosecuted them in nine batches at public trials held in coordination with the people's courts, and magnified the impact of such activities and increased the standing of "anticrime" campaigns through vigorous propaganda by the news media.

They observed the principle of combining crime fighting with prevention and actively helped improve all facets of public order. In the past year, they held 208 public events to publicize the legal system through the use of some criminal cases as examples; distributed over 50,000 propaganda materials through enterprises, public institutions, and neighborhood, village and town, and grass-roots organizations; and broadcast and published 4,301 legal documents of all sorts through various news media. Procuratorial organs at all levels also earnestly received and handled visits to appeal for help by 47 collectives, visits to appeal for help in handling conflicts which could intensify, and visits by other parties to appeal for help. They also received 72 letters of appeal for help in matters still pending despite repeated complaints. They actively coordinated with relevant departments to offer advice and solve conflicts, which they handled in an appropriate manner, and thus helped mediate destabilizing social factors and reduce their occurrences.

## **3. Enhance Law Enforcement Supervision and Promote Strict Law Enforcement**

Efforts to solve the problem of failing to rely on the law and of lax law enforcement are important measures to accelerate the pace of democracy and building the legal system. All levels of procuratorial organs conscientiously fulfilled the law enforcement supervision duty endowed by law and enhanced law enforcement supervision over investigation, trial, detention, and reform departments.

(1) Strengthen Investigation Supervision. Last year, following examination, municipal procuratorial organs returned public security organs' requests for approval for arrest involving 2,902 persons and asked them to conduct further investigation; decided against approving the arrests of 549 persons due to unclear facts, lack of sufficient evidence, and acts deemed not constitute a crime; returned public security organs' requests for examination and prosecution of 1,632 cases and asked them to conduct further investigations; and decided against prosecuting 35 persons. They presented rectification opinions to public security organs for the illegal investigation of 323 cases; stressed investigation into and rectification of the acts of failure to investigate crimes and the acts of ordering to pay fines instead of meting out punishment. They called on relevant organs to rectify the situation of not placing cases on file and of not investigating crimes; and sought criminal responsibility against eight persons for failure to make rectifications despite repeated calls for such, following

procuratorial organs' direct placing of typical cases on file for investigation in line with Article 13 of the Criminal Litigation Law.

(2) Step Up Criminal Trial Supervision. Municipal procuratorial organs emphasized the examination of and appeals against criminal case rulings. In 1994, they appealed against improper rulings for 23 cases; following examination, upper procuratorates backed 18 appeal cases; courts reversed rulings on five cases; and four cases were ordered to retrial.

(3) Strengthen Law and Discipline Supervision. Municipal procuratorial organs stressed handling and investigating cases of state working personnel's abuse of power, of infringement of citizens' democratic rights and personal rights, and of their malfeasance. Last year, they put on file and investigated nine cases involving judicial personnel's malpractices and extraction of confessions through torture. They also put on file and investigated 173 cases involving the crime of dereliction of duty that caused major economic losses; 95 cases involving the crime of illegal detention of people; 157 cases involving dereliction of duty which resulted either in major accidents that caused injuries and death of personnel or in major economic losses; and 64 other law-breaking and discipline-breaching cases involving interference in posts and telecommunications, infringement of citizens' freedom of communication, retaliations, frame-ups, and sabotages during elections.

(4) Step up Detention Center Inspection. Last year, municipal procuratorial organs rectified a total of 196 cases involving inadequate legal procedures on detention of suspects and mistakes in legal documents. On 415 occasions, they called for rectifying the issue of over-the-period detention and the issue of detention without trial; repeatedly asked case-handling departments to expedite the hearing of and closing of 111 cases involving people who have been detained for over one year; on 441 occasions called on judicial cadres and policemen to rectify law-breaking acts; carried out serious investigations of and checks into criminal clues about detention center personnel who, taking advantage of their posts, engaged in such illegal acts of taking money in exchange for no-punishment, of helping arrange sentence-reduction, of allowing bail, and of permitting medical treatment from prison in violation of the law; they cracked 15 cases involving corruption and bribery as a result of investigations.

(5) Strengthen Legal Supervision Over Civil-Affair Trial and Administrative Litigation Activities. Last year, municipal procuratorial organs accepted the handling of 307 cases of appeals against civil-affair and administrative rulings, put 110 cases on file for examination, suggested courts reverse seven improper rulings, and appealed against eight mistrial cases involving civil-affairs, economic, and administrative rulings.

(6) Step Up Checks on Appeal Cases. Municipal procuratorial organs stressed the handling of the double-checking of cases of appeals involving appeals against

court rulings and procuratorial organs' decisions on dismissing cases. They accepted and handled 457 similar cases in 1994, of which 85 were the double-checking of appeals against arrests and against case-dismissal decisions; eleven ruling-reversal cases following examination; 83 cases of double-checking cases involving appeals against courts' criminal rulings; and three ruling-reversal cases following requests to the courts for retrials.

(7) Improve Procuratorial Organs' Internal Restraining Mechanisms. Municipal procuratorial organs further perfected the case-handling system that separates investigation from arrest and from prosecution. In 1994, of all the cases that had been referred to them by investigation departments for examination, for arrest approval, and for prosecution; the number of cases that they decided against arrests and prosecution was 41; the number of cases that they decided to return to investigation departments for further investigation was 582; the number of persons they decided to add criminal charges was 19. They also decided to seek the arrest of one person who was omitted from the list.

#### **Improve the Procuratorate According To Law, Administer the Procuratorate in a Strict Manner, and Augment the Procuratorial Ranks**

Abiding by the principle of building up the procuratorate according to law and of administering the procuratorate in a strict manner in the past year, procuratorial organs at all levels made demands on the procuratorial ranks in light of relevant situations and tasks, concentrated on improving themselves, made an effort to improve the political and professional quality of the vast number of cadres and police, and increased the fighting power of the procuratorial ranks.

We intensified political and theoretical education. We made arrangements for cadres and police to seriously study the "Selected Works of Deng Xiaoping," mentally prepared them with the theory of building socialism with Chinese characteristics, sought unity in thought, and increased the steadfastness and consciousness of the vast number of cadres and police in implementing the party's basic line and the principle of "grasping with both hands, and both hands must be firm."

We earnestly focused on building the leading bodies. We conducted more assessments on leading bodies at all levels, and promptly adjusted and expanded the task according to needs. We actively adopted measures to strengthen the mechanism of letting the masses supervise leading cadres, and the municipal procuratorate drafted the interim provisions on the supervision of leading cadres by the masses and a system for reporting major issues.

We intensively carried out the activity of creating excellent quality. We earnestly summed up experiences and made comparison and appraisal; set examples; commended advanced individuals and groups; encouraged healthy trends; and inspired in the vast number of cadres

and police such attitude as enthusiasm, seeking progress, making arduous struggles, and making selfless tributes. That year, 15 collectives and 47 individuals were commended and rewarded by the Supreme People's Procuratorate and the municipal party committee; 20 units kept the title of "advanced units" conferred on them by the municipality and its districts; and 87 collectives and 117 individuals were named advanced collectives or individuals in the municipal procuratorial system. At the same time, the violation of discipline and laws, and corruption in the procuratorial ranks were handled resolutely, with no efforts made to shield faults or be indulgent. We successively took party and administrative disciplinary actions against three cadres and police who violated discipline, and according to law, placed three other cadres and police who violated the criminal law on file for investigation, two of whom we had already initiated legal proceedings. The municipal procuratorate informed the entire procuratorial system about these typical cases, and conducted education on fighting corruption and promoting clean administration by drawing inferences from these cases.

##### **5. Conscientiously Accept the Party's Leadership and Supervision by the People's Congresses**

Earnestly implementing the major strategic arrangements made by the party central committee and the municipal party committee, and closely revolving around the central task of economic construction to carry out procuratorial tasks, procuratorial organs at all levels last year resolutely cracked down on crimes in a precise matter—an effort which they regarded as the most important and direct service for economic construction—and enthusiastically took the initiative to provide legal service while keeping in mind their work of handling cases. All important situations which were of concern to procuratorial work, and major cases that had undergone preliminary examination by procuratorial organs, were promptly reported to party committees for further instructions and to gain support. The procuratorial organs earnestly implemented the "Regulations on Supervising Judicial Work" adopted by the municipal people's congress, and adhered to the system of reporting to the people's congresses and their standing committees. They successively and repeatedly delivered reports on progress in procuratorial work to deputies of people's congresses to solicit opinions, hear suggestions, and accept supervision.

Although a certain amount of progress in procuratorial work was made in 1994, such progress still falls short of the expectations of the party and the people. There is still a gap between the number of criminal cases we tracked down and the actual number of crimes, uneven progress was made in our work, and quite a number of weak links still remain. Therefore, we should not overestimate our results. We should fully assess existing problems and our shortcomings, and maintain a clear understanding of our situation.

On the whole, the present effort to promote clean administration in the municipality, and the situation pertaining to public order have followed a favorable trend. However, there is a grim side to our situation. Although we had investigated a number of economic criminal cases involving graft and bribery, the number of criminal elements we tracked down are only a portion of the total. Some criminal elements who lay very low have yet to be flushed out, and new criminal elements are being produced continuously. An increasing number of personnel from "one organization and three departments," including some leading cadres, are being drawn into crimes. Also increasing are crimes in such economic departments that have become the focal point as those handling negotiable securities, futures, and real estate. We still see a conspicuous amount of criminal activities which could jeopardize our efforts to implement the reform measures. Criminal elements have recklessly committed crimes against all odds, the amounts of money involved are getting bigger, increasingly covert and crafty means are being used to commit crimes, and various methods are employed to dodge the law. Crimes—such as neglecting duty in "infringement of right"; evading, refusing to pay, and cheating on taxes; counterfeiting trademarks; and manufacturing and marketing fake and shoddy goods—are on the rise; and crime endangering public security remain serious. Major cases of heinous crimes have especially increased markedly; offenses committed by criminal gangs, criminals on the run, and ex-convicts are rather prominent; and vices that seriously corrupt the general conduct of society have spread despite repeated bans. Factors for social instability are growing. New problems in public security will continuously crop up in the process of expediting reform and opening up and developing a market economy. All these merit our high vigilance and keen attention.

First, we will further implement the guidelines of severely cracking down on criminal offenses; and fight ferociously against embezzlement, bribery, and other serious economic crimes. We will concentrate efforts to investigate and handle major and serious cases, going all out to investigate and handle cases that involve large amounts of illicit money and cause severe economic losses to the state and collectives; cases that involve leading cadres at and above the division level; cases that involve functionaries of "one organization and three departments," especially law enforcement personnel who pervert justice for a bribe, play favoritism, or practice irregularities; and criminal cases that impede new reform programs. We will closely rely on party organizations at all levels and the broad masses of people to intensify investigations and to improve the quality of handling cases. We will adhere to the principle of "crack-down, protection, promotion, and service" in handling cases, crack down on and preventing crimes simultaneously, implement to the letter measures for serving the economic sectors, and raise the efficiency of handling cases.

Second, we will resolutely implement the principle of meting out swift and harsh punishment to severely crack down on serious criminal offenses. We will continue to implement the principle of combining crackdown with prevention of crime, and actively take part in comprehensive management of public security. Meanwhile, we will pay keen attention to dissuade contradictions, dissolve factors for social instability, and do our best to maintain social stability.

Third, we will step up supervision of law enforcement and safeguard the dignity of the laws. We will intensify supervision of criminal investigations and judicial trials, focusing on inefficiency to crack down on serious economic crimes and criminal offenses. We will step up supervision and resolutely correct, according to the law, the failure to investigate offenses and to place them on file for prosecution; and the practices of replacing imprisonment for criminal offenses with lighter punishment and of downgrading the seriousness of a crime. In supervising law enforcement, we will pay particular attention to failure to strictly and impartially enforce the law; and will screen and punish criminal cases involving judicial and administrative law enforcement personnel who pervert justice for a bribe, play favoritism, or engage in other irregularities. Through handling cases, we will expel criminal offenders from law enforcement departments and ensure that the state's judicial powers are truly in the hands of personnel loyal to the people.

Fourth, we will build up the party to improve the quality of personnel, to further enhance their political and professional quality, and to raise the level of law enforcement. We will continue to strengthen political and theoretical education, organize the study of the "Selected Works of Deng Xiaoping," use the theory of building socialism with Chinese characteristics to unify the thinking of cadres and policemen at large, thoroughly comprehend and actively implement the principle of "carrying out two tasks simultaneously and paying equal attention to both," further promote democracy and the legal system, persist in the spirit of a series of important instructions on fighting corruption, and enable cadres and policemen to constantly enhance their theoretical awareness and to pay close attention to promoting clean government and fighting corruption.

In the coming year, we will carry forward our achievements, surmount obstacles, exert great efforts to build up our ability, and forge ahead courageously. We will conscientiously accept the supervision of the municipal people's congress and its standing committee, as well as the masses of people; and work hard to perform the duties empowered by the law; so as to contribute more to ensuring reform, opening up, and the modernization drive.

### Zhejiang Market Economy Develops Rapidly

*95CE0270A Harbin HEILONGJIANG RIBAO in Chinese 15 Jan 95 p 6*

[Article by Fu Xianwu (0265 2009 2976): "Revelations from Rapid Economic Growth in Zhejiang Province"]

[FBIS Translated Text] In recent years, Zhejiang Province's economy has grown rapidly and the people's livelihood has improved considerably even though the province is not considered big, has rather limited resources and, in the planned economy period, did not develop particularly quickly. In 1993, Zhejiang's revenues already reached 16.665 billion yuan, up 38.6 percent over the year before and achieved the strategic goal of doubling revenue growth seven years ahead of schedule.

#### (1) County-level economic growth promoted, and economic structure improved by rural and township enterprises

Zhejiang's rural and township enterprises have developed very rapidly and the momentum energized the county-level economic development and led to improvement in the entire province's economic structure. In 1993, the number of rural and township enterprises as a proportion of all industries in Zhejiang increased from 56 percent to 65 percent, and their total sales reached 238.952 billion yuan, an increase of 76.21 percent. Products of the nationally well-known Wanxiangxie Plant located in Xiaoshan city accounted for 65 percent of all production in China; in 1993, the plant generated income from sales of 430 million yuan, paid 75 million yuan in profit tax, and exported its products mainly to countries such as the United States and Germany. The Wanxiangxie Plant is ranked first among all rural and township enterprises in China. Its development led to the growth of automobile spare parts manufacturing in Xiaoshan city. Transmission gear box and synchrotron are two automobile products that are now exempt from inspection. Growth of Xiaoshan rural and township enterprises has strengthened the city's economic strength. For six years in a row, Xiaoshan city has ranked among the 10 counties (cities) collecting the most revenue; in 1993, its revenues totaled 593 million yuan, and in 1992 and 1993 it was on the list of 100 counties (cities) nationwide judged to have comprehensive economic strength. In Tengtou village of Penghu city, with a population of some 600 containing 252 households, the same cadres run both the village party committee and company headquarters, under which are five subsidiary companies, 18 household enterprises and six joint-investment enterprises, all of them are mainly producing and processing garments for export. In 1993, the village's total output value was 1.5 billion yuan, 40 percent of which came from exports. In places such as Tengtou village, Hongshan farm and Hangmin village, economic growth has reached the point where all households are now considered well-off, although there is no millionaire household, neither is there a poor one.

**(2) Accelerate the nurturing and perfecting of a market system, promote rapid economic growth**

Zhejiang Province has formed a chain of large-scale, specialized wholesale markets; 107 of which have annual transactions of 100 million yuan or more, and 10 of them one billion yuan or more. Shaoxing, China's light textile city known throughout China and Southeast Asia, had total sales of 3.5 billion yuan in 1993. It produces over 10,000 different kinds of material, brings in over 10,000 well-known buyers from 30 provinces and cities in China, and has attracted both talented personnel and capital investment. In producing a new product, "a sample is completed by the third day, batches are available by the fifth day, and the product is ready for market on the seventh day;" in this process, labor, information and capital markets have been formed, all of which are vigorously promoting greater economic growth.

**(3) Continually expand the opening to the outside, vigorously develop the externally oriented economy**

Faced with the reality of limited capital and resources, Zhejiang Province stressed developing an export orientation in the economy. With authorization of the State Council, and by participating in several comprehensive developmental projects jointly undertaken by Daixiedao and nationally recognized economic development zones in Hangzhou, Xiaoshan and Beilun, Zhejiang has adopted effective measures, vigorously improved the investment environment and positively attracted foreign capital. In 1993, Zhejiang concluded a total of \$3.746 billion in negotiated foreign investment, and realized an actual investment of \$1.033 billion, which exceeded the total of the previous 14 years. From January to September of 1994, negotiated foreign investment totaled \$1.978 billion, and the number of new foreign-funded enterprises totaled 1,829.

**(4) Reform investment system, improve investment mechanism, accelerate the rate of infrastructure construction**

Raising and borrowing capital and balancing its use for investment are at the crux of strengthening infrastructure facilities and industries. Zhejiang has given major attention to work in this area. By following the policy of "self-reliance in raising capital, carrying out construction, managing operation and obtaining loans," Zhejiang made a total of 60 billion yuan of fixed asset investment in 1993, an increase of 66.2 percent compared to the year before. Work is actively proceeding in key construction projects such as the Xiaoshan Electric Plant, Jinwen Railway, Hang-Yong Expressway and the 200,000-ton class Kuangshi Dock in Beilun Harbor. In 1993, investment in transportation construction totaled 2.52 billion yuan.

What the rapid economic growth in Zhejiang Province has revealed are the following:

**(1) Raising the quality, expanding the scale of village and township enterprises are urgent tasks**

In their development, Zhejiang's rural and township enterprises have made a rapid rate of growth and maintained quality as well as scale so that "quantitative increase and qualitative improvement were equally emphasized," and only in this way could the strategic objective be fulfilled of improving the province's overall economic structure and energizing county-level economic development. The number of rural and township enterprises in Heilongjiang is considerable, but their quality is not high and their scale not sufficiently big. Therefore, to vigorously develop rural and township enterprises in Heilongjiang and carry out projects geared to the next stage of growth, we need to raise the quality and enlarge the scale of enterprises. A certain standard is needed not only for large [scale], high [quality] and export [oriented] projects, but also for the short [term], level [support] and rapid [turnaround] projects; at the county level, we should strive toward linking up enterprises on the basis of product and type of enterprise, as soon as possible turning miscellaneous separate enterprises into joint enterprises, gradually developing them into small township enterprises in industrial zone, and gradually increasing the number of enterprises with model operation. We should also quickly nurture and bring out specialized markets for the enterprises with special characteristics, enabling their products to get directly to the market, reducing the number of intermediary stages and creating a beneficial cycle of production-sales-and-more production for these enterprises.

**(2) Keep our sight on export, develop externally oriented economy**

Zhejiang put the emphasis in economic development on an externally oriented model, particularly applying "real and concrete efforts" in utilizing foreign capital, and gradually raising the ratio of foreign-funded enterprise output value in the province's GDP. Ample resources certainly is one advantageous condition that Heilongjiang has for attracting foreign businesses and linking up with the south, but it is not the only condition. We must strive to change the antiquated idea that with only a plot of land, several buildings, but not the related conditions of capital, energy resources and transportation, we can hope to attract foreign businesses to invest. We need to earnestly draw up and strictly carry out preferential policies to attract foreign capital; we need to be willing to yield market shares, stock ownership and other benefits, set our sights on the long term and give first and receive benefits later; only in this way will we get effective results in attracting new businesses and investment, in deepening the degree of their involvement and in raising the success rate and the amount of capital actually received. We need to set up a model and prototype for the foreign-funded enterprise. In particular, with regard to foreign-funded enterprises that have made their investment and are currently operational, we should not take the attitude of "having thrown out the

water by marrying off the daughter," we would pay no further attention to what these enterprises are doing; instead, we should earnestly help them solve any problems which may arise from production and operation and support their healthy development.

### Central-South Region

#### Review of 6 Apr Guangdong 'Hotline' Program

*HK1404052095 Guangzhou Guangdong People's Radio Network in Mandarin 1030 GMT 6 Apr 95*

[FBIS Editorial Report] The summary comes from a recent monitoring of the "Today's Hotline" program, a listener call-in show carried from Monday to Friday on Guangzhou Guangdong People's Radio in Mandarin at 1033-1200 GMT. Reception ranged from fair to good.

1. 1033 GMT—The program opens with a brief introduction by program host Wang Fei. Quoting a popular Guangdong saying that a man who has 100,000 yuan is not considered rich but he who has 1 million yuan is considered rich, Wang says that it seems that affluence has become a synonym for Guangdongers. The relief standard is an average monthly income of 170 yuan. In Guangzhou, 200,000 people earn less than 160 yuan a month. In other words, one out of every 30 persons in the city lives under the poverty line. The program host cites several cases in a lengthy report written by SHENGBAO [LIVELIHOOD NEWS] reporter Niu Recheng, entitled "Guangzhou's Poor People" and carried in latest issue of the newspaper. Case one shows: A 68-year-old retired worker, whose paralyzed husband died three years ago and has one son and daughter who are severely retarded, lives with her son and daughter on a pension of 175 yuan. They dare not go to see a doctor even when they have a cold. The reporter could hardly find anything valuable in her home. Case two shows: A factory worker, Shen Wenxian, became superfluous and retired and stayed at home at the age of 40 with 100 yuan or so for living expenses, because his factory was in difficulty. His wife, who had worked for a printing firm but was unemployed for the same reason, received a subsidy of 62 yuan. Both are handicapped. The program host also cites a survey carried out by the Guangzhou City Federation of Trade Unions which shows that 25 percent of the city's total staff members and workers have difficulties in their daily life and 8 percent earn less than 160 yuan per month. A calculation based on a sample survey shows that 350,000 people in Guangzhou have an average monthly income of less than 160 yuan, and of these 200,000 earn less than 160 yuan. After the introduction, the program host bids listeners to focus attention to how to help and support the poor and check the growing tendency toward poverty, and urges them to air their views on the matter.

2. 1040 GMT—Program host Wang Fei interviews reporter Niu Recheng in the studio on his report on Guangzhou's poor. Niu lists enterprise closings in the course of state-owned enterprise reform and lack of a sound security system as one reason for the state of affairs.

3. 1050 GMT—Program host interviews by phone Mr. Chen Xinnan, deputy secretary of the Guangzhou City Light Industrial Bureau, on troubled state-owned enterprises and the effort to care for the needy and those who are in difficulty. Chen says that since the Bureau has limited funds for this purpose, subsidizing them with public funds is no solution to the problem. To solve the problem, he urged displaying the Communist spirit of rushing to help those in need. Since 1993, they have launched two campaigns for enterprises under their jurisdiction and their employees to voluntarily donate money and have collected donations worth more than 6.7 million yuan benefiting 15,900 employees, including 14,000 retirees. He also urged enterprises to save and develop themselves through their own efforts. He attributed enterprise poverty to enterprise closings and bankruptcies in the course of reform.

4. 1059 GMT—Commercial break.
5. 1100 GMT—Brief news.
6. 1103 GMT—Commercial break.
7. 1106 GMT—A Mr. Yan calls in to suggest making the best use of capital and not too readily announcing the bankruptcy of an enterprise in difficulty.
8. 1110 GMT—In response, reporter Niu Recheng says that enterprise reform has entered a stage of crucial importance. Some enterprises are invigorated and others will go bankrupt. This is an unavoidable situation in a market economy.
9. 1114 GMT—A Mr. Wang, a cadre from the Art Research Institute under the provincial Culture Department whose monthly salary is 500 yuan, phones in to urge people in need to do something for society through their own efforts while receiving others' help.
10. 1118 GMT—In response, reporter Niu Recheng says that the flow of labor will become a trend in society, and enterprise closings and bankruptcies will become common in the days to come.
11. 1121 GMT—Hu Kaigui, secretary general of the Guangzhou Charity Society, is interviewed by phone. He says that the Society has donated nearly 1 million yuan to the needy in the year since its founding.
12. 1130 GMT—Brief news.
13. 1132 GMT—Commercial break.
14. 1134 GMT—Hu Kaigui goes on to say that the Society also has difficulty raising funds. It helps those in extreme difficulty.
15. 1138 GMT—A Miss Chen from Shaoguan complains about excessive collection of donations in her work unit, where the pay ranges from 50 to 100 yuan.
16. 1144 GMT—A Mr. Ding, who voluntarily quit his job, phones in and talks about the need to upgrade concepts, improve enterprise management, and reform social security.

17. 1150 GMT—Wang Yiping, deputy director of the Institute of Social Issues under the Guangzhou City Academy of Social Sciences, is interviewed by phone on how to put an end to the situation in which some people in Guangzhou live under the poverty line. He says that 4 percent of Guangdong's population is unemployed while the national figure is 12 percent. He suggests establishing a mechanism for social security, increasing social security standards commensurate with Guangdong's conditions, improving the existing system of social insurance in such areas as medical care, worker's compensation, and unemployment, invigorating enterprises, optimizing the enterprise structure, developing productive forces, and establishing a security fund that combines social and individual contributions.

18. 1200—End of program.

#### Hainan's 1994 Social, Economic Statistics

*HK2803073195 Haikou HAINAN RIBAO in Chinese  
23 Feb 95 p 6*

[Hainan Provincial Statistics Bureau Communiqué dated 16 February 1995: "Statistical Report Issued by Hainan Provincial Statistics Bureau on National Economic and Social Development in 1994"]

[FBIS Translated Text] Under the leadership of the provincial party committee and government, the people of all nationalities in Hainan continued to implement the spirit of the 14th CPC National Congress and the Third and Fourth Plenary Sessions of the 14th CPC Central Committee in 1994. While putting reform at the center of all undertakings and earnestly implementing the measures of the CPC Central Committee for macroeconomic regulation and control, Hainan comprehensively accelerated the pace of structural reform, scored marked achievements in building basic facilities, and enormously improved the soft environment for investment. With a rapid growth rate, the national economy was further standardized and developed normally; good results were achieved in science, technology, culture, education, public health, and other social undertakings; and the living standards of the urban and rural inhabitants continued to improve. According to preliminary calculations, Hainan's GNP totaled 35.97 billion yuan in 1994, an increase of 12.6 percent over the previous year (calculated in terms of comparable prices). Of this total, primary industry rose 12.4 percent, secondary industry went up 14.8 percent, and tertiary industry was up by 11.7 percent. The ratio of the three industries was 29.6:23.9:46.5, respectively.

The main problems in economic operation were: Although the soaring prices slowed somewhat, prices still remained high; some enterprises faced serious difficulties and their efficiency was poor; there was a shortage of capital; and the tightened economic environment needed further improvement.

#### I. Agriculture, Forestry, Animal Husbandry, and Fisheries

Agriculture, forestry, animal husbandry, and fisheries developed in a comprehensive manner and the internal structure

of agriculture was further optimized in the course of readjustment. The proportion of grain, sugar-cane, and other traditional crops dropped somewhat while the development of top-quality, high-yield, and efficient farming and forestry, animal husbandry, and fisheries was accelerated. The added output value of Hainan's agriculture, forestry, animal husbandry, and fisheries totaled 10.63 billion yuan in 1994, an increase of 12.4 percent over the previous year (calculated in terms of comparable prices). Of this, agriculture totaled 4.788 billion yuan, up 6.8 percent; forestry, 2.39 billion yuan, up 12.3 percent; animal husbandry, 1.777 billion yuan, up 13.4 percent; and fisheries, 1.675 billion yuan, up 26.4 percent.

Of the major farm produce, output of grain remained steady with some increase and approached a record level; output of sugar-cane dropped; and bumper harvests were reaped in oil crops, vegetables, and fruit. Thanks to the large scale development of the bases for seasonal vegetables, mangoes, and bananas, their output and efficiency all increased by a wide margin. Output of major farm produce was as follows:

	1994	percentage increase over 1993
Grain	2,046,500 tonne	2.3
Sugar-cane	2,941,400 tonne	-18.3
Oil crops	66,300 tonne	6.8
Vegetables	1,100,700 tonne	14.7
Melon	282,900 tonne	-6.8
Fruit	282,100 tonne	45.4
Tea	5,400 tonne	-14.3

The total area of tropical crops was 439,200 hectares by the end of 1994, slightly lower than in the previous year. Motivated by the market mechanism, both output and efficiency of the major tropical crops, including rubber and pepper, increased rapidly. Output of major tropical crops was as follows:

	1994	percentage increase over 1993
Rubber	231,600 tonne	16.6
Coconut	102.70 million	5.0
Betel palm	11,938 tonne	8.6
Pepper	9,504 tonne	32.0
Coffee	602 tonne	-18.1
Sisal hemp	1,588 tonne	-2.3
Cashew nuts	918 tonne	24.4

Hainan forested 402,000 hectares of land in 1994 (not including plane afforestation), 10,400 hectares more than in the previous year.

A good momentum was maintained in the production of animal husbandry. The number of pigs, cattle, and sheep slaughtered was higher than in the previous year. Output of meat increased remarkably, of which the production

of poultry increased the fastest. Output of major animal by-products and the number of animals in stock by the year end were as follows:

	1994	percentage increase over 1993
Figs by year end	2,904,800 head	-1.6
Cattle by year end	1,418,500 head	2.9
Sheep by year end	673,200 head	33.7
Output of pork, beef, mutton	181,100 tonne	3.6
Output of poultry	91,500 tonne	30.9
Output of eggs	17,600 tonne	1.3

Another bumper harvest was reaped in fishery production. Output of aquatic products totaled 387,400 tonne, an increase of 19.6 percent over the previous year. Of this, output of marine products amounted to 330,400 tonne, up 14.8 percent. The area of aquatic breeding totaled 43,200 hectares, 2,900 hectares more than in the previous year.

The conditions for agricultural production were further improved and modernized. The aggregate power of Hainan's farm machinery reached 1,675,500 kw, a 5.7 percent increase, of which machinery for farming rose 0.4 percent and machinery for farmland irrigation was up 6.6 percent while that for fishery dropped 3.6 percent. The countryside applied 157,800 tonne of chemical fertilizers (in terms of 100 percent ingredients), an increase of 7.7 percent over the previous year. A total of 8,800 tonne of pesticide was applied, up 39.7 percent. Rural consumption of electricity in the year amounted to 113 million kwh. Hainan now has 173,300 hectares of farmland with effective irrigation systems. A total of 150,300 hectares of farmland was irrigated in 1994. The area of cultivated land reached 428,700 hectares by the 1994 year-end period, 2,700 hectares less than in the year-end period of 1993.

The rural economy was brisk. Households and villages engaged in special businesses, shareholding cooperative system, township enterprises, and other forms of organizations all developed markedly. The rural areas accelerated the building of the market circulation service system. Non-agricultural industries increased rapidly. The rural labor force continued to move to the secondary and tertiary industries. By the end of 1994, there were 384,500 rural laborers engaged in the secondary and tertiary industries, 27,400 more than in the previous year.

## II. Industry and Building Trade

Amid the relatively tight environment of the state strengthening macroeconomic regulation and control, Hainan overcame all sorts of difficulties and maintained the growth of industrial production. The added value of the province's industry totaled 4.368 billion yuan, up 13.5 percent, of which 2.721 billion yuan came from light industry, up 15.8 percent and 1.647 billion yuan came from heavy industry, up 11.2 percent.

Of the various economic sectors, apart from a drop registered in state-owned industry, industry of other sectors maintained rapid growth. The added value of state-owned industry was 2.101 billion yuan, a decrease of 5.5 percent from the previous year; collective industry, 231 million yuan, up 33.2 percent; industry of other sectors, 1.149 billion yuan, up 25.6 percent, of which industry of the foreign-funded enterprises, 764 million yuan, up 34.7 percent; and rural-run industry, urban-rural industry, and the individual sector, 887 million yuan, up 45.8 percent.

Of the major manufactured goods, output of motorbikes, power generation, cement, beverages, and chemical fibers increased thanks to the new production capacity. Output of outer tires, sugar cane, and television sets dropped by a wide margin. Affected by the market and capital supply, the capacity of automobile production was not fully exploited.

Output of major manufactured goods was as follows:

	1994	percentage increase over 1993
Power generated	2,844 billion kw	15.2
Iron ore	4.13 million tonne	-2.0
Pig iron	28,000 tonne	-7.0
Steel	3,500 tonne	-58.3
Rolled steel	43,300 tonne	4.3
Cement	1.3698 million tonne	25.5
Man-made board	56,800 cubic meters	8.8
Motor vehicles	3,000	-6.3
Motorbikes	178,100	160.0
Walking tractors	466	7.4
Outer tire	379,000	-20.2
Sulfuric acid	17,500 tonne	16.7
Soda ash	5,300 tonne	17.8
Color TV sets	30,800 sets	-29.2
Chemical fibers	15,700 tonne	9.8
Yarn	2,238 tonne	44.5
Cloth	3.03 million meters	-50.1
Cigarettes	109,100 cases	-9.1
Chinese medicine	166.2 tonne	-84.8
Machine-made paper and paper board	18,100 tonne	19.1
Sugar	260,700 tonne	-29.3
Salt	281,300 tonne	-18.7
Canned food	141,900 tonne	-5.5
Nonalcoholic beverages	234,600 tonne	36.2
Beer	22,000 tonne	69.2

A balance was maintained in industrial production and sales but economic efficiency was not good enough. Industrial sales volume increased by 13.2 percent over the previous year, the sales rate of industrial products

reached 92.6 percent, and profits and taxes of the independent accounting enterprises totaled 700 million yuan, a decrease of 17 percent from the previous year. Average profits and taxes made from every 100 yuan in sales reached 5.9 yuan and average profits and taxes made from every 100 yuan of capital were 3.97 yuan. The turnover of circulation capital was 1.18 times in the year. Compared with the previous year, overall efficiency dropped somewhat.

The building industry continued to make headway along with the increase in investment. The added value of the building industry amounted to 4.242 billion yuan, an increase of 16.2 percent over 1993 and accounting for 11.8 percent of the GNP. By the end of 1994, there were 778 construction enterprises at above the township level, of which 451 were from other provinces. The total floor space of buildings under construction by the construction enterprises was 4.035 million square m, with 1.728 million square m completed during the year. The quality rate of the projects was 36.5 percent and the amount of profits and taxes delivered was 158 million yuan.

New progress was made in geological prospecting. A total of 89,000 m of drilling was completed by the geological surveying sector, which discovered five new mineral deposits.

### III. Investment in Fixed Assets

A moderate scale was maintained in investment in fixed assets and the investment setup was further optimized. Completed provincial investment in fixed assets in 1994 came to 20.459 billion yuan, representing an increase of 21.2 percent over the previous year. Of this, investment in the primary industry totaled 0.617 billion yuan, up 18.2 percent; in secondary industry, 4.491 billion yuan, up 17.9 percent; in tertiary industry, 9.52 billion yuan, up 11.9 percent; and in housing construction, 5.831 billion yuan, up 44.2 percent.

Completed investment in capital construction totaled 12.335 billion yuan, an increase of 38.2 percent over 1993. Of this, investment in energy, transportation, communications, and other basic facilities was further enhanced, amounting to 3.62 billion yuan, up 46 percent. Large numbers of basic facilities were completed and made available to users. Investment in science, education, culture, and other social undertakings also increased. Investment increased 100 percent in scientific research and comprehensive technological services and 59.5 percent in education, culture, art, radio, film, and television. Of the financial funds for capital construction, state budgetary funds accounted for 4 percent; domestic loans, 24.4 percent; use of foreign capital, 12.5 percent; money borrowed, 0.9 percent; self mustered funds, 51.5 percent (including 4.6 percent of funds pooled from stock); and other funds, 6.7 percent.

Investment in technical innovation and transformation projects reached 916 million yuan, which was basically the same as in the previous year. Of this, investment in increasing production capacity amounted to 210 million yuan, accounting for 23 percent and investment in

increasing varieties and improving product quality reached 110 million yuan, accounting for 12 percent.

Real estate entered a steady and standardized stage of development, with an investment of 5.722 billion yuan, more or less the same as in 1993. Of the source of investment in real estate, use of foreign capital, stocks, and bonds continued to increase while that of domestic loans, payment of deposits, and other funds decreased. Building of commodity houses shifted to economic and applicable houses, of which housing construction continued to increase. The area of commodity houses under construction was 7.25 million square m, a decrease of 2.8 percent from 1993, including 4.84 million square m of residential houses, up 10 percent. The area of commodity houses completed in the year was 480,000 square m, down 30.1 percent, including 370,000 square m of residential houses, up 4.5 percent. A total of 330,000 square m of commodity houses was sold, down 53.3 percent, including 260,000 square m of residential houses, down 25.9 percent.

Investment in key construction projects and large and medium projects increased and the building of basic facilities achieved marked results. Based on the shareholding system successfully introduced in the first half of the year for large infrastructural projects, Hainan continued to promote reform of the investment system, established the comprehensive compensation policy for investment in basic facilities in the form of local regulations, and effectively guided funds to infrastructural construction, resulting in the efficiency and quality of the projects reaching the best level. Construction of Fenghuang International Airport was completed and the airport was opened to traffic; construction of the East Line Expressway reached the final stage; the first and second generating units of the Nanshan Power Plant and the second and third generating units of the Daguang Dam Power Plant started to generate electricity following completion of their networking; the first phase project of the Daguang Dam Gaogan Irrigation Works was completed; the system engineering of the post and telecommunications and the Haikou Gas Pipeline Project were in full swing; construction of the cold rolling sheet mill, curtain cloth factory, and plastic tile plant were nearing completion; construction of the Hebang Oil Refinery, the gas chemical fertilizer plant, the Changjiang Cement Factory, and a number of large industrial projects started one after another; and the projects proceeded smoothly thanks to the timely allocation of funds.

The area of housing under construction was 17.306 million square m, which included 9.75 million square m of residential houses. The area of housing completed was 5.606 million square m, including 3.98 million square m of residential houses. The newly increased fixed assets totaled 13.91 billion yuan, not including investment by the urban and rural collectives and individuals, and the rate of fixed assets made available to users was 68 percent.

The newly increased production capacity in 1994 included: 220,000 kw of power generation (not including

the Yangpu Power Plant), including 120,000 kw of hydropower; 240 km of high voltage transmission lines of 110,000 volts; 161.1 km of new highway, including 129.1 km of expressways, and the renovation of 138.8 km of highway; four passenger ships of 300 tonne; five airplanes; 300.1 km of long-distance communications cable, 491 km of microwave lines and 114,600 switchboards in urban areas; annual production of 18,000 tonne of chemical fiber, 100,000 tonne of cold-rolled sheet steel, 600,000 tonne of cement, and 35,000 tonne of beer; 18,200 places for secondary school students, 23,700 places for primary school pupils, and 411 beds in hospitals; and a daily supply of 302,000 tonne of running water.

#### IV. Transport, Post, and Telecommunications

With the comprehensive improvement of the infrastructure, further headway was made in transport, post, and telecommunications. Added value in 1994 amounted to 2.322 billion yuan, a 14.7 percent increase over 1993.

The opening of the East Line Expressway and Fenghuang Airport to traffic and acceleration of the building of the oceangoing fleet rapidly enhanced the capacity of land, sea, and air transportation. Added value in 1994 reached 1.846 billion yuan, up 10.6 percent. The volume of transportation by various means was as follows:

	1994	Percentage increase over 1993
Volume of freight transport	18.92 billion ton-km	5.5
Railway	0.207 billion ton-km	-8.9
Highway	3.018 billion ton-km	8.9
Waterway	15.67 billion ton-km	5.0
Airways	0.025 billion ton-km	120.0
Volume of passenger transport	8.496 billion person-km	12.0
Railway	0.056 billion person-km	18.1
Highway	6.40 billion person-km	1.1
Waterway	0.22 billion person-km	-2.2
Airways	1.82 billion person-km	85.2
Volume of cargo handled by ports	15.12 million tonne	11.4

Post and telecommunications were further modernized and the sphere of business was expanded. Added value in post and telecommunications totaled 476 million yuan, an increase of 31.2 percent over the previous year. By the end of the year, the province's postal services reached 91,700 km and 20,300 km in rural areas. Hainan had 9,800 lines for long-distance calls and 220 lines for cable. With a capacity of 315,000 switchboards in urban areas there are 216,600 urban telephone subscribers, 19,500

mobile telephone users, and 227,500 pagers. The volume of post and telecommunications trade amounted to 867 million yuan, an increase of 60.5 percent over 1993.

#### V. Domestic Trade and Market Prices

The urban and rural markets remained brisk, with an ample supply of commodities, and consumption by inhabitants was steady. The volume of retail sales totaled 9.347 billion yuan, an increase of 28.5 percent (a real growth of 5.5 percent allowing for price hikes). Of the total, retail sales in urban areas amounted to 7.259 billion yuan, up 27.8 percent, while sales in rural areas reached 2.088 billion yuan, up 31 percent. The volume of transactions in urban and rural fairs trade was 4.763 billion yuan, up 30.2 percent. Thanks to their flexible operation, the growth in retail sales of the private and individual sectors far exceeded that in the state and collective sectors. Foreign businessmen also started to invest in the retail business. By the end of the year, Haikou had several large shopping malls which ended the history of Hainan having no large department stores.

The volume of sales by various trades was as follows:

	1994	Percentage increase over 1993
Wholesale	5.475 billion yuan	21.6
Catering	1.003 billion yuan	18.8
Manufacturing	0.388 billion yuan	14.6
Other trades	0.879 billion yuan	99.6
Sales by farmers to urban inhabitants	1.602 billion yuan	39.8

Market prices, which rose sharply along with the country's general trend, dropped gradually in the latter half of the year. The increase in retail prices was still below the national average. Compared with the previous year, the increase in prices of various products was as follows:

	Average percentage of price raises in 1994	Price increases in December compared with same period last year
1. Retail prices	21.6	16.3
Farm materials	38.2	23.5
2. Inhabitants consumption	26.7	21.1
Food	32.4	23.9
Clothing	13.3	14.8
Household equipment and articles	22.4	16.3
Medicines, tonics	5.2	7.3
Transport	13.4	8.6
Amusement	7.6	5.7
Housing	21.8	16.2
Services	37.4	36.4

**VI. Foreign Trade, Economic Cooperation, and Tourism**

Making the most of the advantages in the structure, Hainan opened itself wider to the outside world in 1994 and launched large-scale activities to attract foreign investors, effectively promoting Hainan's external economy and tourism.

Imports and exports continued to increase. The volume of imports and exports reached \$2.697 billion in 1994, an increase of 5 percent over the previous year. Of the total, exports amounted to \$0.987 billion, up 9.5 percent while imports reached \$1.71 billion, up 2.6 percent.

The utilization of foreign capital was fruitful. The number of new contracts signed with foreign businessmen was fewer than in the previous year but the number of large enterprises and groups holding talks on investing in big projects increased. The projects were properly implemented and a large scale was maintained in the actual utilization of foreign capital. Hainan approved 810 contracts on the utilization of foreign capital, of which 802 were direct investments made by foreign businessmen and eight were foreign loans. The new agreements signed by Hainan on the utilization of foreign capital involved a total of \$1.566 billion, of which \$1.225 billion was directly invested by foreign businessmen. Foreign capital actually utilized during the year amounted to \$1.289 billion, an increase of 0.2 percent, including \$0.898 billion directly invested by foreign businessmen and \$0.391 billion in foreign loans, an increase of 64.3 percent. Foreign government loans came from five countries. Hainan also issued 14.5 billion yen in treasury bonds in Japan. The funds were used mainly in infrastructure, agriculture, and environmental protection projects.

The field of international economic and technological cooperation was further expanded. A good beginning was made in investing and running enterprises abroad, offering labor services abroad, and contracting for foreign projects. Good achievements were also attained in the utilization of gratuitous foreign aid. Technological exports, which started from scratch, increased.

The system for direct registration of enterprise corporation further improved and fairly good results were achieved in introducing the method of annual inspection of enterprise corporations. A total of 810 foreign-funded enterprises, with a registered capital of \$875 million, underwent industrial and commercial registration. The interior provinces established 1,314 enterprises in Hainan, with a registered capital of 5.617 billion yuan. According to the records of Hainan's industrial and commercial registration, there were 8,200 foreign-funded enterprises, with a registered capital of \$10.722 billion, and 18,400 enterprises set up by interior provinces, with a registered capital of 53.716 billion yuan, by the end of 1994.

Building was accelerated in tourism. By the end of 1994, Hainan had 149 hotels and guest houses serving foreign

tourists, of which 30 received star levels. There were three four-star hotels and 11 three-star hotels, with a total of 26,700 beds, an increase of 32.3 percent, including 25,500 air-conditioned bedrooms, up 40.3 percent. In 1994, Hainan's hotels and guest houses (including tourist ships) received 2.896 million tourists, an increase of 3.6 percent. The number of tourists received in the year was as follows:

	1994	Percentage increase over 1993
International tourists	247,300	3.2
Foreigners	48,500	15.6
Overseas Chinese	10,100	67.5
Hong Kong and Macao compatriots	127,700	-8.3
Taiwan compatriots	61,000	16.5
Domestic tourists	2,648,700	3.7

Income from foreign tourism came to 496 million yuan (\$58.78 million), an increase of 40.9 percent. This included 399 million yuan from commodities, up 46.8 percent and 97 million from labor services, up 21 percent.

**VII. Finance and Insurance**

Banking developed steadily in the course of financial reform and savings deposits recovered. The balance of savings deposits totaled 49.617 billion yuan by the end of 1994, up 11.1 percent. The banks granted 46.725 billion yuan in loans in 1994, an increase of 28.5 percent. The balance of savings deposits in state banks was 36.938 billion yuan, up 8.8 percent, including 16.147 billion yuan in enterprise savings deposits, down 1.6 percent, and 18.097 billion yuan in urban savings deposits, up 25.1 percent. The state banks granted 36.212 billion yuan in all sorts of loans, up 20.6 percent, including 26.056 billion yuan of mid- and short-term loans, up 19.1 percent, and 7.454 billion yuan in mid- and long-term loans, up 34.2 percent. The state bank savings deposit balance was 726 million yuan, 3.214 billion yuan less than in 1993. Hainan's state bank put 9.005 billion yuan of currency into circulation, an increase of 8.2 percent.

The balance of savings deposits by urban and rural inhabitants was 23.291 billion yuan by the end of 1994, a 26.6 percent increase.

Further development was made in insurance services. The Hainan People's Insurance Company offered 43.084 billion yuan in insurance coverage to domestic units, an increase of 37.8 percent; received 252 million yuan of premiums, up 13 percent; and paid out indemnity of 137 million yuan, down 9.4 percent. The company offered \$5.019 billion in insurance coverage to foreign companies and enterprises, up 10.4 percent; received \$5.14 million in premiums, up 34.5 percent; and paid out indemnity of \$2.18 million, up 86.3 percent.

### VIII. Science, Technology, Education, Culture, and Sports

Science and technology made further headway. In 1994, Hainan implemented five state-level torch projects and 10 spark projects; seven provincial-level torch projects and 14 spark projects; and won three state-level research projects established by the State Science Commission, nine projects subsidized by the local fund of the State Natural Science Fund, 28 projects established by the Hainan Natural Science Fund, and eight projects for trial production and evaluation of key state-level new products. In 1994, Hainan won two first-class, five second-class, 13 third-class, and eight fourth-class scientific and technological progress awards and three spark plan awards.

The work of protecting intellectual property rights was strengthened. In 1994 Hainan received 196 applications for patents and approved 64. Progress was made in spreading scientific and technological results, scientific and technological information services, training scientists and technicians, and in international scientific and technological exchanges.

The contingent of scientists and technicians continued to expand. By the end of 1994, Hainan's state enterprises and institutions had 112,800 special technical personnel of various trades, of which 3,353 obtained senior titles and 24,600 obtained intermediate titles.

Weather forecasting vigorously served production and construction, forecasting the seven tropical storms and typhoons in the year. By the end of 1994, the seismic units had made new achievements in the work of monitoring the effect of the Beibowan earthquake on the island.

Education developed enormously. Coverage of the nine-year compulsory education expanded; the conditions for primary and secondary schools improved; the reform of college internal management, enrollment, and placement systems was promoted; and a new situation emerged in education run by society and nongovernmental organizations. The number of students enrolled and in schools was as follows:

	1994	Percentage increase over 1993
Students enrolled by colleges	3,553	4.1
Students in college	11,600	13.4
Students enrolled by secondary technical schools	9,359	3.4
Students in secondary technical schools	21,400	8.3
Students enrolled by senior high schools	14,600	-2.9
Students in senior high schools	40,500	-8.4
Students enrolled by vocational schools	3,800	-1.9
Students in vocational schools	8,600	-4.9

Students in junior high schools	255,200	11.0
Pupils in primary schools	1,102,300	3.2
Children in kindergartens	133,400	5.5
Students enrolled by adult colleges	1,524	-7.4
Students in adult colleges	2,884	-1.3
Students in adult secondary schools	9,444	-2.4

Culture, art, radio, television, news, and publications flourished. In 1994, Hainan had 23 artistic troupes, 17 cultural centers, three mass art galleries, 19 public libraries, 303 cultural centers in towns, 123 cultural centers in townships, 25 archive centers, 21 radio stations, five television stations, and 57 television transmission and relay stations. The province had five book and video publishing houses, 19 news agencies, and 40 magazines, which published 13.22 million copies of 562 kinds of books; 15 kinds of newspapers, with a circulation of 124.17 million; 2.418 million copies of 31 kinds of magazines; and 788,000 boxes of video tapes. Literature and art creation and performance were lively. The first nationality orchestral music concert and the elegant performance by the Central Philharmonic Orchestra and the Central Song and Ensemble Troupe in Hainan were unprecedentedly successful. The "International Practice Book Series" and other books were well received by the readers.

Striking headway was scored in sport. In 1994 Hainan organized 18 delegations comprising over 100 athletes to take part in national games on 18 occasions, including the sports meet for youngsters. The province won 22 gold, 16 silver, and 17 bronze medals at these events. In the national tournaments, championships, and competitions, Hainan's athletes won two gold and two silver medals and broke two records on two occasions at the national children's games. Good results were achieved in sailing, skateboarding, track and field events, swimming, and weightlifting. Hainan held 240 county level games and 22 provincial level games. The masses and enterprises were also enthusiastic in sponsoring sports. A traditional nationality sports meet was held during the "3 March" Li and Miao Art Festival. The first games for staff members of the provincial organs attracted extensive attention from various social circles. During the year some 662,000 people throughout the province reached the state's physical training standards.

### IX. Public Health and Environmental Protection

Public health was strengthened, medical conditions further improved, and remarkable achievements were attained in medical and health work. By the end of 1994, the province's hospitals and clinics had 22,700 beds and 31,100 medical personnel, including 907 practicing Chinese medicine, 6,566 practicing Western medicine, 3,858 practicing Chinese and Western medicine, 7,914 nurses, and 594 midwives. The activities to prevent poliomyelitis were further strengthened. In the nationwide drive to enhance immunity, 2.8 million children in Hainan were given the vaccine.

Thanks to the implementation of the principle of closely combining economic development with environmental and resource protection, continued efforts were made to enhance environmental protection. By the end of 1994, Hainan had set up 20 environmental monitoring stations and completed 24 projects to check pollution.

In 1994 Hainan had 102 species of wild animals and 55 species of plants protected by the state. There were also 71 natural preserves, including five state level and 22 provincial level preserves. Of the natural preserves, 57 were on land, covering an area of 158,000 hectares. The practices of killing and trading in wild animals were attacked. The drive launched provincewide in the first half of the year to donate funds to save the deer, which is menaced by hunger, thirst, and death, exerted a far-reaching influence, encouraging the masses to consciously protect the ecological environment.

#### X. Population, Labor, and Living Standards

According to a sample population survey, Hainan's birth rate in 1994 was 20.77 per mille, the mortality rate was 6.29 per mille, and the natural growth rate was 14.48 per mille. According to this calculation, Hainan's population had reached 7,113,900 by the end of 1994, an increase of 102,300.

The reform of the labor and employment system was further deepened and the "Regulations for Implementation of Labor Contracts" promulgated. Hainan's staff members and workers totaled 1,094,000 at the end of 1994, including 957,000 in state-owned units. Of the staff members in state-owned units, contract staff members accounted for 29.5 percent, up 2.1 percentage points over 1993. A total of 6,080 graduates from universities, colleges, and polytechnic schools (not including technical schools) were placed, up 8.6 percent, and 220 servicemen were transferred to civilian work. There were 104,800 registered individual industrial and commercial units, involving 183,500 people, at the end of 1994, an increase of 6.6 percent.

Headway was made in labor exchange services. There were 97 labor exchanges in 1994, which received 57,800 job seekers and successfully found jobs for 20,800 of them. The new social insurance system proceeded smoothly. By the end of the year, 780,000 staff members and workers were covered by old-age insurance, 436,000 by unemployment insurance, 380,000 by injury insurance, and 13,000 were covered by medical insurance.

Incomes of urban and rural inhabitants continued to increase. Hainan's payroll in 1994 amounted to 4.171 billion yuan, an increase of 8.2 percent. The average income of staff members and workers reached 3,784 yuan, up 8.1 percent. According to a sample survey of cities and the countryside, the per capita income of urban inhabitants for living expenses was 3,556 yuan, up 28.2 percent (or a real growth of 1.2 percent allowing for price rises) and the average net income of peasants was 1,274 yuan, up 23.6 percent (or a real increase of 5.6 percent allowing for price hikes), of which income from production was 1,166 yuan,

up 30.4 percent. However, the soaring price increases seriously affected the living standards of the inhabitants. The administrative institutions in some cities and counties have not yet introduced wage reforms and the workers in some poorly run enterprises and the peasants in the backward mountain areas still had a lot of difficulties in their living conditions.

#### Hubei's 1994 GDP Grows 15.2 Percent

HK1404074495 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 2 Apr 95

[FBIS Translated Text] According to the provincial statistics bureau, the gross domestic product [GDP] of Hubei Province in 1994 amounted to 182.04 billion yuan, ranking 10th in the country. According to comparable prices, the GDP increased by 15.2 percent over the previous year, and was 3.4 percentage points higher than the national average growth rate of 11.8 percent. This is the first time since 1986 that the economic growth rate of this province has exceeded the national average. The provinces and municipalities with economic strength greater than Hubei are Guangdong, Jiangsu, Shandong, Sichuan, Liaoning, Zhejiang, Henan, Hebei, and Shanghai.

#### Southwest Region

##### \*Guizhou Procuratorate Presents Work Report

95CM0188A Guiyang GUIZHOU RIBAO in Chinese 5 March 95 p 2

[Article by Hu Kehui (7579 0344 8396), chief procurator, Guizhou Provincial People's Procuratorate: "Guizhou Provincial People's Procuratorate Work Report—Delivered at the Third Session of the Eighth Guizhou Provincial People's Congress on 23 February 1995"]

[FBIS Translated Excerpt] [Passage omitted]

##### I. Emphasize the Investigation of Large and Important Cases and Launch In-Depth Anticorruption Struggles

[Passage omitted] For the year, we dealt with a total of 3,119 cases of bribery and corruption and other economic crimes; we filed and investigated 1,651 cases and wrapped up 1,770 cases (including cases carried over from 1993); charges against 955 people were made, and charges against 728 were dropped. Through these cases, we helped recover more than 56.32 million yuan in economic losses for the state.

1. The amount of information and leads sent in by the masses increased significantly. By encouraging the public to call in with information, holding civilized receptions and news conferences to make public typical cases, and using other means of propaganda to galvanize the masses, the province's procuratorial organs greatly mobilized the public's enthusiasm. For the year, we

followed up on 6,015 reports and leads, which represented a 16.3 percent increase over 1993. They provided a good source of information for solving large, important cases.

2. We made new breakthroughs in the investigation of major important cases. In recent years, in the wake of economic development and greater mobility of human and material resources, some criminal elements have seized the opportunity to engage in criminal activities. The sums involved in corruption, bribery, and embezzlement cases have grown increasingly larger. Of the 1,651 economic crimes already dealt with, 1,034 cases, or 62.6 percent, involved sums more than 10,000 yuan; 783 cases involved sums between 10,000 and 50,000 yuan; 142 cases involved sums between 50,000 and 100,000 yuan; 84 cases involved sums between 100,000 and 500,000 yuan; 12 cases involved sums between 500,000 and 1 million yuan, and 13 cases involved sums over 1 million yuan.

During the development of the market economy, a handful of leading cadres have succumbed to money worship, hedonism, and extreme individualism and have been unable to resist the temptation of money. They traded power for money or exchanged one for the other, turning themselves into criminal elements. Subsequent to investigating the crimes of Yan Jianhung and Guo Zhengmin and other department-level cadres in 1993, 43 county section- and higher-level leading cadres were investigated for bribery and corruption and other crimes in 1994. Among them, one was a department head, two were deputy department heads, and 40 were county-level section cadres. Among cases involving department-level cadres which were directly investigated by the provincial procuratorate were the cases of Jin Jianming, chairman of the Guizhou provincial government's Foreign Affairs Office, and Song Liqian, assistant manager of Guizhou International Trust and Investment Company, who accepted bribes and gave false testimony.

3. Progress was made in investigating economic crimes in the "three organs and one department." In 1994, 507 economic crimes of bribery and corruption which took place in leading party, government, administrative, law enforcement, and judicial organs and economic management departments were investigated; they accounted for 30.7 percent of all cases filed, 21.8 percent more than in 1993. Of those economic crime cases, 240 took place in party and government leading organs, 55 in administrative and law enforcement organs, 34 in the judicial organs, and 178 in economic management departments.

4. "Linked cases" associated with specific trades were investigated. In investigating the financial, tobacco, forestry, and commercial industries, the province's procuratorial organs paid special attention to details and in-depth probing, followed all leads, and found 450 "linked cases," thus increasing the success rate in the war against crime. Guiyang's city procuratorate started out with a corruption case involving more than 4,000 yuan

to uncover another case of embezzlement of 210,000 yuan in postage fees by Tian Jun, business team leader of the Zhonghua Beilu post and telecommunications branch office. In investigating the Jin Jianming corruption and false witness case, the provincial procuratorate uncovered six other corruption and bribery cases involving eight people. In investigating a tax evasion case, the Kaiyang County procuratorate uncovered 18 cases of corruption and bribery involving 22 people. In investigating the tobacco regulation and transfer station corruption case, the Qiandongnan Prefecture's procuratorate uncovered 27 corruption and bribery cases involving 11 tobacco departments in Kaili City, Huangping County, and Tianshu County.

5. New types of crimes that obstruct the implementation of the state's major reform measures were investigated. In 1994, 29 cases involving counterfeiting, profiteering, fraudulent and inappropriate issuance of value-added tax receipts, and the use of fake invoices to engage in tax evasion and tax fraud were uncovered. The largest case involved more than 9 million yuan. Three hundred and forty-five cases of disruption of socialist market economic order, infringement of intellectual property rights, trademark counterfeiting, and manufacturing and sale of inferior products were investigated. There were five other cases that involved crimes committed by legal persons. The Guiyang City procuratorate investigated Pei Shengfu, general manager of the Guixie Industrial and Commercial Corporation of Guizhou Province, for using false special valued-added tax receipts to make more than 230,000 yuan in profit, which resulted in the state losing more than 800,000 yuan in tax revenues through fraud. We also investigated the first case of a Guizhou financial securities market operator using a computer to defraud 180,000 yuan.

The large and important cases displayed the following characteristics:

1. Unhealthy tendencies and violations of law and discipline to cover up crimes were fairly prevalent. Some departments did not follow rules nor abide by the law in doing their work. Some economic management departments helped cliques and individuals obtain hundreds of thousands and even millions in short-term loans, which profited themselves but made it impossible for the state to recover those funds. Some units set up their own small private treasuries; there was no supervision and control over revenues and expenditures, and collective and public funds and materials were divvied up in private. Unhealthy tendencies and violations of law and discipline were often mixed with criminal activities to cover up serious corruption and bribery and other economic crimes, making it much more difficult to uncover and investigate this type of criminal offenses.

2. The criminal elements concealed their crimes very well, making it very difficult to break those cases. During the transition from the old to the new system, some criminal elements took advantage of the reform to

embezzle state properties during contracting, leasing, merging, reorganizing under the shareholding system, and other economic activities. They concealed their crimes skillfully and made it impossible to check their books, making it difficult to crack such cases.

3. After they committed crimes, the criminal elements were frantic in their counterintelligence activities. After committing a crime, the culprits would tip each other off, forge alliances, transfer the stolen money and goods, destroy or hide evidence, threaten or bribe those who had knowledge of the crime, seek revenge on those who informed on them, or pretend to give back the stolen goods and give false testimony; some even avoided punishment by absconding. [passage omitted]

## II. Step Up the "Crackdown" To Preserve Social Stability

In accordance with the CPC Central Committee's unified strategy to engage in a concentrated national struggle to rectify rural public order and to launch centralized "crackdowns" in the nation's cities and towns, and complying with the supreme people's procuratorate's demands, Guizhou's procuratorial organs stepped up efforts to crack down hard on serious crimes and to deal comprehensively with public security issues of society. We worked closely with public security departments, the courts, and judicial and administrative departments; we upheld the general principle of applying the law strictly and swiftly, insisted on giving priority to major and extraordinary cases, and cracked down even harder on serious crimes. We promptly arrested and charged a large group of criminal elements who had committed serious crimes. For the year, the public security organs asked for permission to arrest 24,344 people; 22,079 requests were examined, and approval was granted in 20,593 cases. Also, 22,828 criminals were transferred from the public security organs for possible investigation or prosecution; 19,826 were examined, 18,575 were charged, and 1,170 were not charged.

To resolve the problems that threaten public security and to preserve social stability, the province's procuratorial organs complied with the party committee's centralized strategy and participated in seven rounds of unified action to crack down on crimes and rectify order in localities with rampant public security problems. We cracked down especially on criminal elements and crime syndicates involved in murder, robbery, armed assault, grand larceny, financial fraud, smuggling and drug trafficking, as well as in the sabotage of communications systems, water conservancy and power supply facilities, and in the abduction of women and children for the purpose of coercing, enticing, detaining, or introducing them into prostitution, and in other crimes that seriously threatened public security. A total of 7,021 such criminal elements were arrested; 6,325 were charged. The province's procuratorial organs followed the law to make arrests and file charges in a timely fashion. We checked and made arrests, and as soon as the basic facts were

clear and the basic evidence was secured, approval for arrest was promptly granted. In investigating charges, so long as the facts were clear and the evidence was there, we promptly prosecuted. If one person committed several crimes or several people committed one crime, as soon as the facts of the major offense were clear, the prime culprit would be arrested and prosecuted according to law. If the stolen money and goods could be recovered, they would be checked immediately, and if they could not be found despite efforts to locate them, so long as there was sufficient evidence that a crime had been committed, charges were made. We made sure that the procuratorates was not an obstacle and did not miss a combat opportunity; we have improved work efficiency. [passage omitted]

## III. Strengthen Supervision Over Law Enforcement To Preserve the Dignity of the Socialist Legal System

To enforce the law strictly and ensure the uniform application of the law is a natural requirement of the socialist market economy, and it is also an important responsibility bestowed upon the procuratorial organs by the law. As the province's procuratorial organs went deep to fight corruption and bribery and cracked down harshly on serious crimes, we also focused on the prominent problems of failure of those in law enforcement to abide by the law, to apply the law strictly, and to prosecute according to the law. We combined efforts to rectify any violation of the law with efforts to deal with judicial, administrative, and law enforcement personnel who bent the law for personal favors and who accepted graft in violation of the law, thus putting more force into the supervision of law enforcement.

In the supervision of law and discipline, we focused on the key points and filed and investigated 737 cases that involved the bending of the law for personal favors, the use of torture to extract confessions, gross negligence and dereliction of duty, and other criminal acts that infringed on the personal rights of the citizens and the people's democratic rights as well as other malfeasance cases. Liupanshi City procuratorate filed and investigated the case of Jiang Qizong, a former instructor of the Liuzhi Special District Public Security Bureau detective team, who bent the law and took it upon himself to release a major drug trafficker. The Qianxinan Prefectural procuratorate filed and investigated a case involving Nao Huahuai, public security bureau chief of Anlong County, who bent the law for personal favors, and the case of Liu Fuyuan, head of the bureau's prisoner lockup, and others who accepted more than 100,000 yuan in bribes for the illegal release of 64 prisoners.

In supervising investigations, the focus was on major criminal cases where the guilty parties were not prosecuted and fines were substituted for punishment. Relevant organs were urged to rectify their actions according to the law. Subsequent to those rectification suggestions, the procuratorial organs complied with Article 13 of the Criminal Procedural Law to directly file and investigate

typical cases which should have been prosecuted but were not or should have been transferred but were not. There were eight such cases that involved 10 people. In cases where the public security organs had sought arrests and had transferred the criminals for prosecution, we followed the law to make strict investigations, paid attention to preventing mistakes and omissions, and made sure no one was falsely accused or escaped due punishment. Decisions were made not to arrest 1,486 accused because there were insufficient grounds for arrest; decisions were made to arrest 221 criminals who should have been arrested but the public security organs had not asked for warrants; 44 people not previously transferred and charged by the public security organs were prosecuted; decisions were made not to prosecute 81 people whose actions had not constituted crimes. Prompt suggestions were made where violation of the law were discovered during our investigations. Subsequent actions following a legal arrest and the handling of case dismissals were closely monitored and supervised.

In the supervision of criminal prosecutions, the focus was on protesting cases of wrongful decisions where serious crimes got off with light sentences, guilty parties were set free, and minor offenses were given severe punishments. In 55 criminal cases, the first instance verdicts or rulings were deemed erroneous; they were appealed. In 11 criminal cases, the erroneous decisions and rulings had already taken legal effect; they were appealed. Meanwhile, enforcement of the law during trials was closely monitored.

In monitoring and supervising the law enforcement activities of rehabilitation centers, the focus was on rectifying such legal problems as failure to transfer criminals and carry out court orders according to the law and the acceptance of money as payoffs in seeking reduced sentences, parole, and bail-posting for medical treatment. Twenty-two cases involved dereliction of duty on the part of supervisory personnel who accepted bribes and bent the law for personal favors and took it upon themselves to release criminals. Concerted action was taken with the supervisory department to crack down on people on probation repeating serious crimes; 359 people were arrested and charged. In supervising rehabilitation activities, suggestions were made to rectify any violation of the law. Where hidden signs of unsafe factors were discovered, assistance was given to the supervisory department to promptly eliminate those factors to make sure that the grounds of the correctional facilities were safe.

In the supervision of prosecutions and appeals, the focus was on re-investigating cases of appeal of court decisions and rulings and the appeal of cases where the procuratorial organs had decided not to prosecute. For the year, we received 24,880 pieces of mail and personal visits from the public, handled 4,772 appeals of various types and 220 criminal cases already on appeal, and legally redressed 50 cases.

In the supervision of civil and administrative disputes, the focus was on protesting civil, economic, and administrative cases where the decisions and rulings had been clearly unfair. Eighteen cases were dealt with, and where it was discovered that judicial personnel had accepted bribes and bent the law, they were also dealt with. [passage omitted]

#### **Bank's Sichuan Branch Helps in Relocation Effort**

*OW1304064695 Beijing XINHUA in English 0628  
GMT 13 Apr 95*

[FBIS Transcribed Text] Chengdu, April 13 (XINHUA)—The Sichuan branch of the Agricultural Bank of China is playing an effective role in the relocation of residents from the area of the Three Gorges Reservoir, now under construction.

Some one million people will have to be relocated.

During 1993-1994 the bank allocated more than one billion yuan in loans for Wanxian City in Sichuan Province, which will take 68 percent of the population to be resettled. The money has made a great contribution to the city's agricultural production, commerce, disaster prevention and relief, and 72 major projects.

Of the total funds, 590 million yuan has been spent on the purchase of local farm produce and agricultural by-products, 60 million yuan on disaster prevention and relief, 120 million yuan on the relocation of 54 enterprises, and 170 million yuan on 68 key projects and enterprises.

Meanwhile, the bank has arranged 57 million yuan in loans for fixed assets investment and 103 million yuan as circulating funds for 22 relocated enterprises, which have produced 130 billion yuan-worth of output value and 1.12 million yuan of profits.

#### **Tibet's 1st Szaibelyite Ore Mine Being Built**

*OW1204075995 Beijing XINHUA in English 0739  
GMT 12 Apr 95*

[FBIS Transcribed Text] Lhasa, April 12 (XINHUA)—Construction has started on the first szaibelyite mine in Tibet.

The Chagcam Caka szaibelyite mining project in Ngari Prefecture, one of the 62 key projects in Tibet, is being undertaken by the Ministry of the Chemical Industry.

It involves an investment of 21 million yuan.

The ore in the area is of high quality and will be used to replace the raw materials in the glass fiber industry, including boracic acid.

Upon completion this August, the project will be able to yield 15,000 tons of szaibelyite ore a year.

**Tibet Completes Medical Care Network**  
*OW1304130295 Beijing XINHUA in English 0658  
GMT 13 Apr 95*

[FBIS Transcribed Text] Lhasa, April 13 (XINHUA)—The Tibet Autonomous Region has built a medical care network for local residents in both urban and rural areas over the past decade, according to the Regional Department of Public Health.

The vast, sparsely-populated region now has 1,070 clinics and hospitals with a total of 5,042 beds, 5.6 times and 3.2 times the figures, respectively, for 1965, when Tibet became an autonomous region, an official of the department said.

The official said that since 1985 some 2,800 doctors from 12 provinces and municipalities have been sent to Tibet to treat local patients, while Tibetan doctors and nurses have been sent to other parts of China for advanced study.

Tibet now has 9,683 doctors and nurses, 3.3 times the figure for 1965, he said, adding that Tibetans account for roughly 80 percent of the doctors and nurses.

Every 1,000 local residents have 3.2 doctors and nurses, higher than the nation's average, he said.

A college of Tibetan medicine has been set up in this capital of Tibet.

Leprosy was finally wiped out in 1993, he said, adding that over the past ten years local doctors have cured 300,000 patients suffering from such diseases as iodine deficiency and Keshan, the official said.

He said that compared with 1985, the death rate of pregnant women and women in labor plunged by nearly 72 percent and that of infants by 88 percent.

Hospitals of Tibetan medicine have been set up in seven counties and six prefectures, and most township-run clinics have doctors of Tibetan medicines.

Tibet now has a total of 1,283 doctors of Tibetan medicine, 10 times the figure for 1951, he said, adding that the production of traditional medicines soared to 100,000 kg in 1994 from 1,500 kg in the early 1950s.

Tibet has forged medical co-operation relations with 10 countries and has received 20 million US dollars in medical aid from other countries.

In recent years some 200 foreign doctors have visited Tibet and 30 Tibetan doctors have gone abroad for study.

As a result of progress in medical care, the average life expectancy of Tibetans shot up to 64 in 1994 from only 35 in the early 1950s, he said.

**Southwest Region**

**\*Guizhou Procuratorate Presents Work Report**  
*95CM0188A Guiyang GUIZHOU RIBAO in Chinese 5  
March 95 p 2*

[Article by Hu Kehui (7579 0344 8396), chief procurator, Guizhou Provincial People's Procuratorate:

"Guizhou Provincial People's Procuratorate Work Report—Delivered at the Third Session of the Eighth Guizhou Provincial People's Congress on 23 February 1995"]

[FBIS Translated Excerpt] [Passage omitted]

**I. Emphasize the Investigation of Large and Important Cases and Launch In-Depth Anticorruption Struggles**

[Passage omitted] For the year, we dealt with a total of 3,119 cases of bribery and corruption and other economic crimes; we filed and investigated 1,651 cases and wrapped up 1,770 cases (including cases carried over from 1993); charges against 955 people were made, and charges against 728 were dropped. Through these cases, we helped recover more than 56.32 million yuan in economic losses for the state.

1. The amount of information and leads sent in by the masses increased significantly. By encouraging the public to call in with information, holding civilized receptions and news conferences to make public typical cases, and using other means of propaganda to galvanize the masses, the province's procuratorial organs greatly mobilized the public's enthusiasm. For the year, we followed up on 6,015 reports and leads, which represented a 16.3 percent increase over 1993. They provided a good source of information for solving large, important cases.

2. We made new breakthroughs in the investigation of major important cases. In recent years, in the wake of economic development and greater mobility of human and material resources, some criminal elements have seized the opportunity to engage in criminal activities. The sums involved in corruption, bribery, and embezzlement cases have grown increasingly larger. Of the 1,651 economic crimes already dealt with, 1,034 cases, or 62.6 percent, involved sums more than 10,000 yuan; 783 cases involved sums between 10,000 and 50,000 yuan; 142 cases involved sums between 50,000 and 100,000 yuan; 84 cases involved sums between 100,000 and 500,000 yuan; 12 cases involved sums between 500,000 and 1 million yuan, and 13 cases involved sums over 1 million yuan.

During the development of the market economy, a handful of leading cadres have succumbed to money worship, hedonism, and extreme individualism and have been unable to resist the temptation of money. They traded power for money or exchanged one for the other, turning themselves into criminal elements. Subsequent to investigating the crimes of Yan Jianhung and Guo Zhengmin and other department-level cadres in 1993, 43 county section- and higher-level leading cadres were investigated for bribery and corruption and other crimes in 1994. Among them, one was a department head, two were deputy department heads, and 40 were county-level section cadres. Among cases involving department-level cadres which were directly investigated by the provincial procuratorate were the cases of Jin Jianming, chairman

of the Guizhou provincial government's Foreign Affairs Office, and Song Liquan, assistant manager of Guizhou International Trust and Investment Company, who accepted bribes and gave false testimony.

3. Progress was made in investigating economic crimes in the "three organs and one department." In 1994, 507 economic crimes of bribery and corruption which took place in leading party, government, administrative, law enforcement, and judicial organs and economic management departments were investigated; they accounted for 30.7 percent of all cases filed, 21.8 percent more than in 1993. Of those economic crime cases, 240 took place in party and government leading organs, 55 in administrative and law enforcement organs, 34 in the judicial organs, and 178 in economic management departments.

4. "Linked cases" associated with specific trades were investigated. In investigating the financial, tobacco, forestry, and commercial industries, the province's procuratorial organs paid special attention to details and in-depth probing, followed all leads, and found 450 "linked cases," thus increasing the success rate in the war against crime. Guiyang's city procuratorate started out with a corruption case involving more than 4,000 yuan to uncover another case of embezzlement of 210,000 yuan in postage fees by Tian Jun, business team leader of the Zhonghua Beilu post and telecommunications branch office. In investigating the Jin Jianming corruption and false witness case, the provincial procuratorate uncovered six other corruption and bribery cases involving eight people. In investigating a tax evasion case, the Kaiyang County procuratorate uncovered 18 cases of corruption and bribery involving 22 people. In investigating the tobacco regulation and transfer station corruption case, the Qiandongnan Prefecture's procuratorate uncovered 27 corruption and bribery cases involving 11 tobacco departments in Kaili City, Huangping County, and Tianshu County.

5. New types of crimes that obstruct the implementation of the state's major reform measures were investigated. In 1994, 29 cases involving counterfeiting, profiteering, fraudulent and inappropriate issuance of value-added tax receipts, and the use of fake invoices to engage in tax evasion and tax fraud were uncovered. The largest case involved more than 9 million yuan. Three hundred and forty-five cases of disruption of socialist market economic order, infringement of intellectual property rights, trademark counterfeiting, and manufacturing and sale of inferior products were investigated. There were five other cases that involved crimes committed by legal persons. The Guiyang City procuratorate investigated Pei Shengfu, general manager of the Guixie Industrial and Commercial Corporation of Guizhou Province, for using false special valued-added tax receipts to make more than 230,000 yuan in profit, which resulted in the state losing more than 800,000 yuan in tax revenues through fraud. We also investigated the first case of a Guizhou financial securities market operator using a computer to defraud 180,000 yuan.

The large and important cases displayed the following characteristics:

1. Unhealthy tendencies and violations of law and discipline to cover up crimes were fairly prevalent. Some departments did not follow rules nor abide by the law in doing their work. Some economic management departments helped cliques and individuals obtain hundreds of thousands and even millions in short-term loans, which profited themselves but made it impossible for the state to recover those funds. Some units set up their own small private treasuries; there was no supervision and control over revenues and expenditures, and collective and public funds and materials were divvied up in private. Unhealthy tendencies and violations of law and discipline were often mixed with criminal activities to cover up serious corruption and bribery and other economic crimes, making it much more difficult to uncover and investigate this type of criminal offenses.
2. The criminal elements concealed their crimes very well, making it very difficult to break those cases. During the transition from the old to the new system, some criminal elements took advantage of the reform to embezzle state properties during contracting, leasing, merging, reorganizing under the shareholding system, and other economic activities. They concealed their crimes skillfully and made it impossible to check their books, making it difficult to crack such cases.
3. After they committed crimes, the criminal elements were frantic in their counterintelligence activities. After committing a crime, the culprits would tip each other off, forge alliances, transfer the stolen money and goods, destroy or hide evidence, threaten or bribe those who had knowledge of the crime, seek revenge on those who informed on them, or pretend to give back the stolen goods and give false testimony; some even avoided punishment by absconding. [passage omitted]

## II. Step Up the "Crackdown" To Preserve Social Stability

In accordance with the CPC Central Committee's unified strategy to engage in a concentrated national struggle to rectify rural public order and to launch centralized "crackdowns" in the nation's cities and towns, and complying with the supreme people's procuratorate's demands, Guizhou's procuratorial organs stepped up efforts to crack down hard on serious crimes and to deal comprehensively with public security issues of society. We worked closely with public security departments, the courts, and judicial and administrative departments; we upheld the general principle of applying the law strictly and swiftly, insisted on giving priority to major and extraordinary cases, and cracked down even harder on serious crimes. We promptly arrested and charged a large group of criminal elements who had committed serious crimes. For the year, the public security organs asked for permission to arrest 24,344 people; 22,079 requests were examined, and approval was granted in 20,593 cases. Also, 22,828 criminals were

transferred from the public security organs for possible investigation or prosecution; 19,826 were examined, 18,575 were charged, and 1,170 were not charged.

To resolve the problems that threaten public security and to preserve social stability, the province's procuratorial organs complied with the party committee's centralized strategy and participated in seven rounds of unified action to crack down on crimes and rectify order in localities with rampant public security problems. We cracked down especially on criminal elements and crime syndicates involved in murder, robbery, armed assault, grand larceny, financial fraud, smuggling and drug trafficking, as well as in the sabotage of communications systems, water conservancy and power supply facilities, and in the abduction of women and children for the purpose of coercing, enticing, detaining, or introducing them into prostitution, and in other crimes that seriously threatened public security. A total of 7,021 such criminal elements were arrested; 6,325 were charged. The province's procuratorial organs followed the law to make arrests and file charges in a timely fashion. We checked and made arrests, and as soon as the basic facts were clear and the basic evidence was secured, approval for arrest was promptly granted. In investigating charges, so long as the facts were clear and the evidence was there, we promptly prosecuted. If one person committed several crimes or several people committed one crime, as soon as the facts of the major offense were clear, the prime culprit would be arrested and prosecuted according to law. If the stolen money and goods could be recovered, they would be checked immediately, and if they could not be found despite efforts to locate them, so long as there was sufficient evidence that a crime had been committed, charges were made. We made sure that the procuratorates was not an obstacle and did not miss a combat opportunity; we have improved work efficiency. [passage omitted]

### III. Strengthen Supervision Over Law Enforcement To Preserve the Dignity of the Socialist Legal System

To enforce the law strictly and ensure the uniform application of the law is a natural requirement of the socialist market economy, and it is also an important responsibility bestowed upon the procuratorial organs by the law. As the province's procuratorial organs went deep to fight corruption and bribery and cracked down harshly on serious crimes, we also focused on the prominent problems of failure of those in law enforcement to abide by the law, to apply the law strictly, and to prosecute according to the law. We combined efforts to rectify any violation of the law with efforts to deal with judicial, administrative, and law enforcement personnel who bent the law for personal favors and who accepted graft in violation of the law, thus putting more force into the supervision of law enforcement.

In the supervision of law and discipline, we focused on the key points and filed and investigated 737 cases that involved the bending of the law for personal favors, the

use of torture to extract confessions, gross negligence and dereliction of duty, and other criminal acts that infringed on the personal rights of the citizens and the people's democratic rights as well as other malfeasance cases. Liupanshi City procuratorate filed and investigated the case of Jiang Qizong, a former instructor of the Liuzhi Special District Public Security Bureau detective team, who bent the law and took it upon himself to release a major drug trafficker. The Qianxinan Prefectural procuratorate filed and investigated a case involving Nao Huahuai, public security bureau chief of Anlong County, who bent the law for personal favors, and the case of Liu Fuyuan, head of the bureau's prisoner lockup, and others who accepted more than 100,000 yuan in bribes for the illegal release of 64 prisoners.

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In monitoring and supervising the law enforcement activities of rehabilitation centers, the focus was on rectifying such legal problems as failure to transfer criminals and carry out court orders according to the law and the acceptance of money as payoffs in seeking reduced sentences, parole, and bail-posting for medical

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#### **Bank's Sichuan Branch Helps in Relocation Effort**

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A college of Tibetan medicine has been set up in this capital of Tibet.

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In recent years some 200 foreign doctors have visited Tibet and 30 Tibetan doctors have gone abroad for study.

As a result of progress in medical care, the average life expectancy of Tibetans shot up to 64 in 1994 from only 35 in the early 1950s, he said.

**Military 'On Alert' Over Fishing Dispute**  
**OW1404023695 Taipei CNA in English 0122 GMT**  
**14 Apr 95**

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, April 13 (CNA)—The Republic of China [ROC] military has been put on alert after a maritime clash Wednesday [12 April] night between fishermen from the island of Tungying and the Chinese mainland.

In response to questioning at the Legislative Yuan Thursday, Vice Minister of National Defense Lt. Gen. Sung Chuan-chiang said ROC troops on Tungying have been ordered to step up patrols "to avoid unnecessary confrontations."

Sung said the military has also requested the Straits Exchange Foundation, the semi-official intermediary body formed to handle private exchanges with the Chinese mainland, to negotiate with its mainland counterpart over the incident.

According to KMT legislator Tsao Er-chung, a number of mainland fishing vessels repeatedly sailed across the demarcation line in defiance of ROC troop warnings and used dynamite to catch fish. "The illegal moves have caused great losses to the Tungying fishermen," Tsao said.

Some 400 fishing nets set by Tungying fishermen were damaged when mainland fishermen sailed across the warning line Wednesday night. Tungying fishermen on board three vessels threw Molotov cocktails at the mainlanders to vent their anger, but nobody was injured in the clash.

Tungying is a small island some 30 nautical miles from Mainland China's Fujian Province.

**Li Teng-hui News Conference on Mideast Trip**  
**OW1304131495 Taipei CHUNG-YANG JIH-PAO in**  
**Chinese 5 Apr 95 pp 1, 2**

[News Conference by Li Teng-hui with unidentified correspondents at Chiang Kai-shek Airport on 4 April—first two paragraphs are CHUNG YANG JIH PAO's editorial note]

[FBIS Translated Text] President Li Teng-hui returned home on 4 April after concluding a four-day unofficial visit to two Middle East countries. Immediately upon his return, he held a news conference at the Chiang Kai-shek Airport, at which he spoke freely of his feelings about the trip and its results, and also answered reporters' questions. President Li was effusive during the 90-minute news conference. Speaking in a rather frank, sincere, and realistic manner, he answered reporters' questions from both a theoretical and practical viewpoint regarding the results of his trip to the two Middle East countries, his

feelings about the trip, bilateral cooperation, the establishment of a new world outlook, our country's integration into the international community and relevant practical considerations, and cross-strait relations.

To present the news conference in a more orderly manner, this newspaper has, aside from reporting it in its entirety, arranged relevant questions and answers according to topics so that readers can form a complete logic when they read about the news conference. The following is what took place during the news conference.

[Li Teng-hui] Ladies and Gentlemen: First of all, I would like to express my thanks on behalf of my delegation to you and compatriots across the nation for showing concern about my Middle East trip. Before you raise any questions, let me first do a little explaining.

Just how did this Middle East trip take place? Just what issues were discussed during the four-day, two-nation trip? What results were achieved? I shall briefly address these issues before taking your questions. This trip primarily originated with Jordanian Crown Prince Hasan, who sent a letter on 25 December 1994 inviting me to visit Jordan. The United Arab Emirates [UAE] foreign minister wrote to Foreign Minister Chien Fu on 18 February this year, inviting me to visit his country. These two invitations presented considerable scheduling problems.

On the one hand, King Husayn of Jordan hoped that I would visit his country before 28 February because of his planned visit to the United States. As everybody knows, I could not make it because of the planned erection of the "Memorial to the 28 February Incident" and other events at home. The UAE sent its invitation on 18 February. It was very difficult to pull the two dates together. That is why I had to postpone my trip until 1 April. Although I visited only two countries over the course of four days, the trip was very important as we have not had any genuine diplomatic bastion in the Middle East since we severed diplomatic relations with Saudi Arabia five years ago. Moreover, statistics point to dwindling trade between the Republic of China [ROC] and Arab countries, with trade slowing down in 1993 and 1994 in particular. I believe that our trip is worthwhile as far as our future and developments in the Middle East are concerned.

The establishment of economic and trade strongholds in the Middle East during this trip is very helpful to our country. During my Southeast Asia trip last year, you also raised many questions. Did I score any achievements? This year's investment and trade between the ROC and Southeast Asia have increased two- or three-fold; we can say that we have achieved tremendous results. When I go on overseas trips, I represent my country and inspire confidence in my people, government agencies, public institutions, and private businesses in elevating the ROC's international economic status.

During my visit to the UAE, I had a strong impression that the country is highly developed. It bears many

similarities to the ROC. A very underdeveloped region in the past, the country discovered petroleum in 1962 and began extracting it in 1968. Since President Al Nahayyan came to office, the country has developed its petroleum industry, moving from a single industry to a multiple industrial and commercial society. A fairly high level of modernization was achieved in subsequent national construction. The ROC similarly started out as an agricultural society whose per capita income has increased from \$120 to \$12,000. It has evolved from an agriculture-based economy into a multiple industrial and commercial society. This is also an example of tremendous success.

The UAE is also highly successful and is hopeful of promoting its relations with the ROC, which has provided it with the most assistance. What should this economic power do after it has struck oil and become wealthy? We possess tremendous technological prowess; the UAE has to import technology. The UAE, which enjoys a lofty status among the Arabs, is courted by other countries and the United Nations; it is the financial and shipping hub of the Middle East. If the ROC establishes relations with the UAE, it will become truly influential in the Middle East. Everybody knows that the UAE is very sincere and hopeful about furthering its relations with the ROC.

Because of premature reporting of my trip, and the Chinese communist authorities' obstruction, I did not meet with President Al Nuhayyan. The Chinese communist authorities' pressure on the UAE was great. Even though I did not meet with President Al Nuhayyan, I had in-depth discussions with the crown prince and the minister of foreign affairs. My stay in the UAE was quite short. It lasted only 24 hours. But I believe our talks lasted more than five hours. Our discussions were quite specific. I will elaborate when I answer your questions.

My trip to Indonesia and the Philippines last year showed that premature reporting of such events was not proper because it prejudiced the visit. It is better if I explain the results after the visit.

Jordan and the ROC had traditional relations, including diplomatic, economic, and trade relations. Jordan severed diplomatic ties with the Republic of China [ROC] for reasons beyond its control. King Husayn originally invited me to visit his country for talks on 28 February. But the visit was postponed. He had to be in the United States over the past few days on personal and official business, and so we could not meet. But they accorded me the proper courtesy. I had lots of talks with other officials, especially Crown Prince Hasan. We met three times. We understood each other quite well. After the Casablanca conference, the governments of all Middle East countries are determined to develop their economies in general, and sign peace accords with Israel in particular. This has prompted Jordan to follow a new course.

When he [the crown prince] briefed me, the first thing he said was that the arrival of President Li of the Republic

of China coincided with a time when countries in the Middle East had started to follow a new course. He added that both the Republic of China and Jordan should follow a new course. We had many talks on how to coordinate the move. During my visit to Jordan, Crown Prince Hasan and I attended a detailed briefing given by the Science and Technology Group of the Royal Academy of Sciences. We both understood the need for the Republic of China to coordinate the efforts of Middle East countries in following the new course. We had fairly in-depth discussions on issues in this regard.

Before you ask me any questions, I want to say that the whole world is heading toward peace and development. The UAE, in particular, is now actively embarked on development and is concerned with its own future; and Jordan is exploring its own course and objectives. They hope to learn from our experience. How are we going to assist them? We will not be too mean in rendering assistance. There are 300 million people in the Middle East. We will play our part in helping their economic development through promoting economic relations and trade with them. Thank you.

[Correspondent] President Li, the Chinese communist authorities did everything they could to obstruct your Middle East trip and they also lodged protests with the two countries. Do you think that the Chinese communist authorities violated Chiang Tse-min's [Jiang Zemin's] eight proposals? Do you think the Chinese communist authorities should change their policies?

[Li Teng-hui] I stated very clearly a while ago that the Chinese communist authorities were doing their utmost to exert pressure on us to prevent us from exercising our sovereignty. But no matter how they exert pressure on us, we must emphasize that the Republic of China on Taiwan is a sovereign country. We cannot disregard this principle. It is important that our stand be clear-cut.

From what I know, the Chinese communists are not unanimous about whether they should exercise pressure to oppose my foreign trips. Some people within the CPC expressed doubts about whether there was any need to exercise pressure. Do I have to talk with the Chinese communist authorities on this issue? I do not think so. There will not be any results. There is no room for talk. For the security of the Taiwan Strait, the two governments should play their respective parts. China will become a reunified country in the future. This is our goal. If our country is not split, why is reunification necessary?

[Correspondent] Two years ago, you said that it would be meaningless for leaders from the two sides of the Taiwan Strait to hold meetings just to exchange greetings. The two sides have recently made rapid progress. Is this the time for a meeting? Where should such a meeting take place?

[Li Teng-hui] It is not that I do not desire such a meeting; it is the mainland authorities who do not want to meet us

during international events. They think doing so will signify the existence of two countries and amount to recognition of Taiwan's sovereignty. I hope they will be more broad-minded and will not continue take such a view. In Chinese society, a meeting can take place anywhere. Is this the time for a meeting? I am not sure. Even shaking hands is now a problem during international events. We still have to wait a little longer.

[Correspondent] You had planned to visit Israel during the Middle East trip. People wonder why you changed your schedule later on. What really happened? Do you plan to visit Israel this year or next?

[Li Teng-hui] I cannot reply in the affirmative. The main problem is Communist China's pressure. As for Israel, we could have crossed the Jordan River to Israel after arriving in Jordan. Over the years, the ROC has played an important role in promoting peace in the Middle East. It was too bad that we did not get to visit Israel this time. The trip was postponed; we do not know how long it will remain on hold. We shall have a chance next time. We intend to visit a Middle East country with major influence, not a small country.

[Correspondent] It is reported that Mr. Liu Tai-ying, chairman of the Kuomintang's [KMT] Committee for Party-Run Enterprises, acted as an intermediary for this trip. Although he accompanied you on this trip as an adviser to the Ministry of Economic Affairs, his pre-departure remarks and role triggered conjecture. Could you tell us about his role and functions in the trip? Did the KMT establish new strongholds in the Middle East during the trip?

[Li Teng-hui] I have no clear idea about this matter. In reality, it was mostly the Foreign Ministry that organized the trip to the UAE and Jordan; Mr. Liu did not play any role. Moreover, Chang Tzu-yuen, China Petroleum Corporation board chairman, also went on the trip. The most important thing about the Middle East is that it guarantees our energy supplies. There are different types of energy, and we should redouble our efforts to secure them. As for other investments, party-run enterprises have their own plans. There is nothing undesirable about party-run enterprises investing in other countries.

[Correspondent] How do you feel about your sightseeing trip to Mount Moses? Is there any inspiration that can be shared with people?

[Li Teng-hui] The Exodus is the history of Israel. What has it got to do with us? As a matter of fact, it has nothing to do with us. What I explored was its spiritual side. For a long time, the Israelites did not enjoy freedom. To gain freedom, they left their homeland to confirm their own value. This freedom-seeking spirit provided mankind with a very meaningful inspiration. I saw the place where Moses died on Mount Moses [Biblical account says Mount Pisgah]. I know the story. Where did Moses and Joshua go after their departure? It is unclear. Later on, Joshua went to the Jordan River to develop the area and

rebuild his homeland. We must understand two things in this segment of history. First, it is about the place where Moses died; this is not clearly mentioned in history. People say that he died on the mountain. Second, the mountain is a nice place. Looking down from it, we can see the Dead Sea; looking across, we can see the entire area occupied by the Jordan River plain. It is a very interesting place. I approach this matter from various angles, not from biblical or religious viewpoints.

[Correspondent] Economic relations and trade are the cornerstone of our relations with foreign countries. How should our country promote economic relations and trade with the Middle East?

[Li Teng-hui] The UAE's national per capita income is more than \$17,000, and by some accounts over \$22,000. The country uses desalinated water; used water is subject to secondary treatment and used for a second time in greening. This is amazing. The country is scientifically and technologically backward, however. We can help them. Jordan is also industrially backward. It faces inequitable wealth distribution. At issue are both land distribution and social justice. We can help them economically and technologically. We should, however, define international relations before we go on to discuss foreign affairs and other relations.

[Correspondent] You have taken the lead in diplomatic work. During this Middle East trip, however, you did not see some of the people you wanted to see, and did not visit some of the places you wanted to visit. Your schedule kept changing. Did you feel frustrated?

[Li Teng-hui] No. The media reported that we did not get to meet UAE President Al Nahayyan because of Communist China's pressure. As guests, we tried not to put them in a difficult position. Through Crown Prince Khalifah, we stated clearly what we wanted to say. What we gained in terms of substance is more important than what we achieved on the surface. I was not in any way uncomfortable.

The case with King Husayn of Jordan was different. Before my departure, he had explicitly addressed this issue on U.S. television and in the U.S. Congress. As I said earlier, they invited us to visit on 28 February. Since we could not make it for our own reasons, we cannot blame other people. King Husayn asked Crown Prince Hasan to receive us on his behalf. Last night, King Husayn's son, Prince Abdullah, advised us that he had contacted King Husayn several times each day to relay clearly what we had discussed. That is why we did not feel sorry as the media reported; instead, we were very happy. We should let people know that I am not sorry about these incidents.

[Correspondent] Everybody is keenly interested in whether you will seek reelection. The opposition party interpreted the current Middle East trip as paving the way for reelection. In the past, your trips to localities

were also said to be motivated by reelection considerations. I hope you will take this opportunity to clarify your attitude or make some official pronouncement on reelection.

[Li Teng-hui] You are too sensitive. I still do not have such a desire. The KMT has not yet decided on the matter. As party chairman, I do not think it is necessary to campaign as the opposition party does before the party's policy is finalized. I did not send any message of reelection by making this trip. The trip had nothing to do with reelection. My previous visits with people were mainly intended to foster a sense of community.

The ROC has completed reform of its state system and constitutional government. It has significantly improved its political apparatus. In such circumstances, we need to give this vacant structure a framework. We should reform our notions, education, and administration; and we should raise our cultural standards. Who will do all this? To carry out this work, I would avail myself of all opportunities to appeal for social harmony. It is very important for us to promote cultural activities. Aside from establishing a community of common interest, we need to foster new concepts about Chinese culture. I personally must spearhead this effort; it has nothing to do with reelection.

As I have only a year or so to go before my term as president expires, I cannot afford to slacken this effort in the slightest. I must see through the things that need to be done. As for other issues, Secretary General Hsu Shui-te will be in a position to provide more clear-cut answers.

[Correspondent] You traveled tirelessly to the two countries over the course of four days. In your opening remarks before you took questions, you said that the world has charted a new course of peace in an effort to promote national development. The Chinese Communists have stepped up their efforts to obstruct us, however. How do we face this international reality with pragmatic diplomacy? There is the possibility that you may attend the Asia-Pacific Economic Cooperation [APEC] meeting in Osaka, Japan, and visit Cornell University in the United States by invitation. How will you deal with the situation in light of our goals? Which country or international event will be the next venue of your diplomatic efforts?

[Li Teng-hui] I have read many news reports regarding the concepts of pragmatic diplomacy and diplomacy by the head of state. According to international relations defined in 19th-century international law, they are similar in nature. The ROC is a sovereign country with a very sound constitution and government, very good people, and richly endowed land. Very few countries recognize our sovereignty. At present, only 29 countries recognize us. The most important thing about our sovereignty is how to win international recognition. Herein lies the ROC's problem. The Chinese communists have taken advantage of this situation to subdue us. It is their goal to deprive the ROC of sovereignty.

No matter what kind of diplomacy we pursue, we can achieve breakthroughs only if people throughout the country work together. We can keep our sovereignty intact only if the 21 million people take responsibility in addition to the government and president. International relations defined in current international law do not address this issue fully and should be expanded accordingly. Why must the head of state lead the way? How will the Foreign Ministry deal with other countries in the absence of diplomatic relations? This is impossible. In such circumstances, the establishment of limited consular relations is all that we can do.

The direct exchange of views between heads of state can help identify existing diplomatic problems. According to current international relations, pragmatic diplomacy, diplomacy by the head of state, and people's diplomacy all fall outside the pale of formal diplomacy.

Everybody knows that the main goal of Communist China is to turn Taiwan into a local government without sovereignty. This issue is very serious. Although we say we are pursuing the country's unification, conditions for achieving it are nonexistent in the absence of sovereignty. How do we achieve unification? We cannot compromise with Communist China on the issue of national sovereignty. The ROC must break out of isolation to promote country-to-country relations by exploiting its economic, technological, scientific, technological, human, and cultural resources. This is its fundamental attitude. I have said that the ROC's existence on Taiwan inspires hope and has its own value.

Although it was not a very pleasant experience for a man of my age to travel to two countries in just four days, the trip was helpful to the country. Therefore, I hope I can visit Osaka and the United States. Since the international community's perceptions of us have changed significantly, we are not to be subdued by the Chinese Communists. Even if the presidents of countries we visit do not receive us, their trusted children will meet us and talk to us. It is not easy to subdue us. Regarding Osaka and other issues, democratic countries view the ROC as their friend because it is economically successful and politically democratic and free.

There are problems, to be sure. How do we deal with other countries? Many countries hope they can meet our head of state and leaders. We know that Communist China's pressure will not work.

[Correspondent] You encourage people to go abroad to establish a new world outlook. What role should our country play in building a new world order? How shall we break out of the rut and approach cross-strait relations with a new world outlook?

[Li Teng-hui] The new world order has not been established yet. All countries are now working hard toward this goal within the framework of the United Nations. The new world order aims to build interstate relations under regionalization. In the past, the ROC went

through the Cold War amid tremendous difficulties. After the Cold War ended, the ROC underwent substantial changes in various fields as it moved toward democratization at home and pursued pragmatic diplomacy abroad. This is a rare achievement. If the ROC does not break out of isolation now, when will it have an opportunity to come into contact with other countries? We used to rule out pragmatic diplomacy and diplomacy by the head of state because we set ourselves against the Chinese Communists. The tiny island of Taiwan would be doomed to isolation had it continued this course.

To develop further, we must break out of isolation without any misgivings. Before a new world order is established, we must break out of our isolation to foster relations with other nations, whether they be Middle Eastern, Southeast Asian, or APEC countries. Countries the world over are moving toward regionalization and establishing development banks. We should break out of isolation. Since the ROC's central bank possesses vast foreign exchange reserves, we should break out of isolation to establish relations with other countries. This is a new world outlook. We should not be bound by the status quo and stay at home. This is like leaving our money in the bank to yield interest, which is the most stupid thing to do. Although the world economy will improve slightly this year, the ROC is in a position to assist other countries given its considerable economic might. The purpose of our investment is to promote relations with other countries, not to dispense cash freely.

[Correspondent] You have repeatedly stressed the need to gain international recognition of the ROC's sovereignty. During your four overseas trips, including those to Singapore and South Africa, however, you were addressed as the president of Taiwan. This is a little different from what you have said. Are you satisfied with this? Will you adopt this model for future overseas trips?

[Li Teng-hui] I have only been in office for five years. I would be a genius if I had completely changed the ROC's international status in those five years. As a matter of fact, this issue cannot be resolved in a short period of time. Since the ROC is not a member of the United Nations, Communist China—a United Nations Security Council permanent member—will make a representation when other countries further relations with us, and the pressure will be too much for those countries to withstand. Everybody should know that the international situation is as nasty as it is now. If we are to defend our security, we need to maintain our relations with Mainland China on the basis of considerable mutual trust.

My trip to Southeast Asia last year was dubbed an icebreaking tour. I was very nervous because it was like walking on thin ice without knowing when I would fall into the water. The use of this metaphor meant people were not very happy because the country's situation was not quite favorable. Faced with Communist China's

pressure, we will become a province of Communist China and second-class citizens if we do not work hard. How shall we discuss national unification in the future? I hope everybody will work hard when the country is fraught with difficulties in the international community.

[Correspondent] You have made transcontinental and icebreaking trips, and, more recently, the Middle East trip. That leaves only the developed nations, such as European countries, the United States, and Japan. Will you complete your plans for global diplomatic trips before your term of office expires? Do you have any timetable? In the past, you visited developing countries primarily to promote economic relations and trade and to help local enterprises. Europe, the United States, and Japan, however, are developed countries that do not depend that much on our country for economic relations and trade. How do we expand bilateral relations with these countries?

[Li Teng-hui] The global economy is not bad this year. An average growth rate of 3.5 percent is attainable. There is a thorny problem, however; people are financially strapped. Even Japan, the richest country, has to overcome this problem through a financial balancing act. In my opinion, the ROC can be of considerable help to other countries on account of its international financial status. Our central bank exercises great prudence in managing foreign exchange. Therefore, the ROC can play a tremendous role despite its small size. It is like tiny Switzerland which can influence the world's financial markets. We should improve our financial resources before reaching out slowly to other countries.

Moreover, ours is a democratic and free country which can help promote cultural activities and exchanges between developed countries. This is particularly true in science and technology. The future Asia-Pacific operational hub's manufacturing, scientific, technological, and media centers should be able to promote more contacts with developed countries.

[Correspondent] On your lecture circuit prior to the Middle East trip, you advanced a future national development blueprint on running Taiwan as a large country and on establishing a new birthplace of Chinese culture. If the blueprint is expanded to international proportions, what are the international status and role of the ROC on Taiwan?

[Li Teng-hui] The ROC's seat of government is currently on Taiwan, a bastion to which it retreated from the mainland. While we certainly need to work hard internationally, the ROC on Taiwan is a sovereign country or a country with independent sovereignty.

Internationally, we certainly need to work hard to make more friends. Besides those countries with which we have official relations, we also hope to foster close ties through various means with countries that do not maintain official relations with us. Our efforts should be able to produce results.

[Correspondent] Although King Husayn of Jordan did not personally receive you during your trip, he did openly confirm your visit during his meeting with the U.S. secretary of state. Will the United States draw inspiration from this? What are your views on the United States' continued opposition to your visit?

[Li Teng-hui] The American people support us. I mean the American people are very favorably disposed to the ROC. Let us take a look at the U.S. Congress. It is like what it did during World War II to help President Chiang [Chiang Kai-shek] in the War of Resistance Against Japan. Although U.S. officials have differing views, they will change over time. Change will come slowly. Do not expect it in a couple of days.

Their efforts and their people's friendly feelings are very valuable. What the ROC is doing is consistent with the United States' nation-building spirit, freedom, and democratic spirit. How long their government can maintain its opposition will depend on how they assess our work.

[Correspondent] You have always stressed the need to go on overseas trips. Do you plan on visiting Europe in the future? How will you promote our future relations with Europe?

[Li Teng-hui] Our relations with Europe are quite close. Our investment in Europe is highly successfully and has generated huge returns. After we have established an Asia-Pacific operational hub, many European countries will show an interest in Taiwan because it will serve as an important springboard to the mainland and Southeast Asia. You asked me whether I plan to go to Europe. I have plans which I will not reveal as they are not mature yet. We hope we will succeed. After we have produced results, we will be in a better position to elaborate our plans to our people.

#### **Li Teng-hui Proposes South China Sea Development**

*OW1404061295 Taipei CHUNG-KUO SHIH-PAO in Chinese 13 Apr 95 p 1*

[FBIS Translated Text] At a time when the South China Sea sovereignty dispute has intensified, President Li Teng-hui has put forward a concrete plan for resolving the issue for the first time. President Li said: Our sovereignty claims over the South China Sea will remain unchanged; however, we favor the settlement of disputes through peaceful means. On this basis, we can invite relevant states to pool funds for establishing an international development firm to exploit resources in the region and gains can be utilized by these states in infrastructural construction. President Li said ensuring regional security with the least military force was the best way to relieve tensions in the region.

President Li made these remarks in an interview with Ku Lien-sung, chairman of the Chinese National Association of Industry and Commerce, in early March. In

addition, President Li analyzed such issues as the characteristics of his version of "new Chungyuen [Zhongyuan] culture," how to operate an Asia-Pacific operational hub, and new advantages in Taiwan's economic development. President Li also depicted his ideal picture of future Taiwan.

On sovereignty over the South China Sea, President Li's views are: First, our sovereignty claims over the South China Sea area remain unchanged; second, we favor the settlement of disputes in this region through peaceful means; and third, we are against provoking disputes.

President Li pointed out: The South China Sea region is abundant in natural resources and is an important strategic area. To settle the sovereignty disputes among relevant states, we should advocate "joint development," invite relevant states to pool funds for establishing an international development firm, and lay aside sovereignty disputes to jointly exploit the region. Gains from the exploitation can afford these states funds for infrastructural construction.

President Li maintains that substituting common economic interests for military disputes, settling disputes through dialogues, and ensuring regional security with the least military force will be the best way to relieve tensions in the region.

As for the two sides across the Taiwan Strait considering they represent orthodox Chinese culture, President Li said: The so-called "new Chungyuen culture" is a fresh culture shaped in Taiwan by many mainland, overseas, and local elites in the past five decades since the restoration of the island. The new cultural vitality plus Taiwan's unique geographic position has made Taiwan the most advanced newborn force in the overall development of Chinese civilization, and Taiwan has become the "new Chungyuen" of Chinese culture.

President Li called on the Chinese communist authorities to discard struggles in the ideological field and to improve understanding and friendship between the people of both sides through peaceful and reciprocal cross-strait exchanges, so that Taiwan's newborn culture can inject vitality into the mainland, which is in a difficult position of cultural revitalization, to create new content of Chinese culture in the 21st century.

During the interview, the president repeatedly emphasized the importance of culture on the state's long-term development. He said that after four decades' of construction in Taiwan, the Republic of China has made remarkable achievements in political and economic development and should strive to promote cultural construction in the future.

**Taiwan To Play Role in 'New World Order'**  
*OW1404120595 Taipei CNA in English 0916 GMT  
14 Apr 95*

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, April 14 (CNA)—The Republic of China [ROC] is willing and able to play a positive role in the formation of a new world order, President Li Teng-hui said Friday.

"With our successful democratic reforms and economic vitality, we can be a constructive partner in promoting world peace and prosperity," Li said while meeting with a group of foreign delegates to an international seminar on Asia-Pacific collective security in the post-Cold War era being held here.

As an Asia-Pacific country, the president said, the ROC is looking forward to working together with other countries in the region to develop a framework or mechanism that can protect regional security.

"We hope such a collective security system will not only help address some potentially threatening problems but also help boost regional economic prosperity and well-being," Li said.

Noting that the end of Cold War has ushered in a new era of regional economic and political integration, Li said respect for human rights and pursuit of peace and prosperity should replace hegemony and military confrontation as the common direction of future world development.

Nevertheless, Li said, many stumbling blocks still stand in the way to establishing a peaceful, prosperous new world order. Such hindrances include extreme nationalism, regional conflicts, international trade disputes, widening wealth gaps and arms races.

"If we fail to tackle these problems carefully, they may have a detrimental impact on the new world order," Li said. For example, he said, the Asia-Pacific has been undergoing dramatic changes in recent years and many problems are cropping up.

"I hope the leaders of Asia-Pacific countries will face the reality and use their wisdom to resolve regional problems and disputes with a pragmatic approach," Li added.

Among foreign delegates meeting with Li were James Lilley, a former US ambassador to Beijing, and Richard Garwin, an adviser to US Vice President Al Gore and a nuclear arms control expert.

More than 40 local and foreign scholars and experts attended the seminar on Asia-Pacific collective security, which opened Wednesday at Taipei's Grand Hotel. The three-day symposium was co-sponsored by the Taipei-based Institute for National Policy Research and Italy's International School on Disarmament and Research on Conflicts.

**Minister Denies Li To Visit Israel, Greece**  
OW1404025095 Taipei CNA in English 0143 GMT  
14 Apr 95

[By Bear Lee]

[FBIS Transcribed Text] Taipei, April 13 (CNA)—Foreign Affairs Minister Chien Fu Thursday [13 April] denied a local news report that President Li Teng-hui will visit Israel and Greece in August.

"The report is totally untrue," Chien said in response to a question by Yeh Yao-peng of the opposition Democratic Progressive Party at a joint meeting of the Legislative Yuan's Overseas Chinese Affairs and Budget committees.

The CHINA TIME EXPRESS, a Taipei-based evening paper reported that relevant government agencies are aggressively arranging a visit by Li to Israel and Greece. Li was reportedly to visit Israel earlier this month during his trip to the Middle East.

Li paid an unofficial visit to the United Arab Emirates and Jordan between March 31 and April 4, his fourth overseas trip since he assumed the presidency in 1988. He visited Singapore in 1989, and the Philippines, Indonesia and Thailand in early 1994 and paid state visits to Nicaragua, Costa Rica and South Africa in May of the same year.

Speaking at the legislature, Chien also urged the paper to correct the inaccurate report and not mislead readers.

Meanwhile Gad Modai, representative of the Israel Economic and Trade Office in Taipei, said he "has absolutely no idea about Li's reported visit to his country."

Vice Foreign Minister Fang Chin-yen and Foreign Ministry spokesman Rock Leng also said earlier in the day that they had no knowledge about the matter.

"It's news to us," they said.

The Foreign Affairs Ministry was recently criticized for refusing to confirm Li's Mideast trip until his departure.

Fang explained that his ministry had to do so because of an agreement reached between the ROC and the two Mideast nations.

**KMT Official on PRC Response to Li Visit**  
OW1404025395 Taipei CNA in English 0132 GMT  
14 Apr 95

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, April 13 (CNA)—Mainland China has no reason to oppose President Li Teng-hui's participation in an international political conference in South Korea, a KMT official said Thursday [13 April].

KMT Vice Secretary-General James Chu said that Beijing has no reason to oppose KMT contact with other political parties in the International Democratic Union (IDU) and that it shouldn't oppose President Li, also KMT chairman, to attend the IDU meeting.

The IDU has scheduled its meeting in Seoul in August. Political leaders from around the world are expected to attend the meeting.

According to wire service reports from Seoul, during her visit to Seoul earlier this month, Li Shuzheng, head of the Chinese Communist Party's international liaison department, opposed Li's participation in the meeting.

Taiwan joined the IDU during the last leaders' meeting in Madrid.

The London-based IDU, founded in 1993, groups 30 political parties. It holds leaders' meetings every two years, with the next scheduled for August 29 through September 3 in Seoul.

#### \*Article Views DDP-U.S. Contacts

95CM0174B *Taipei HSIN HSIN WEN /THE JOURNALIST* in Chinese No 412 & 413, 11 Feb 95  
pp 66-67

[Article by Chen Zhongsheng (7115 6850 3932): "Uncle Sam's Charm in DPP Greater Than Momotaro"]

[FBIS Translated Excerpt] I remember that in the past there was a joke circulating among the people in Taiwan. It says: The Garrison Headquarters has once arrested a clergyman, because he often said in his prayer: "My Lord, oh God, if time can be pushed back, please drop the atomic bomb on Taiwan and leave the Kuomintang in Japan...." Democratic Progressive Party (DPP) Legislator Hsieh Chang-ting humorously made the above-mentioned opening remark at a lecture meeting held on the fourth floor of the Alumni Hall of Taiwan University at 1900 hours on 18 January. The meeting was entitled: "An Inspiration to Taiwan from Japan, 50 Years After The War." [passage omitted]

Within the DPP, Hsieh Chang-ting is a typical representative figure who knows a great deal about Japan. Naturally it is because he studied in the law school of the Kyoto University. However, there are fewer people who know Japan well as compared with those who know more about America in the party.

In the history of development of the opposition movement, Taiwan was closely connected with Japan in the early days. Right after the 28 February incident, some Taiwanese were forced to leave Taiwan for Japan. They published journals, formed organizations, and joined groups of students in Japan to hoist high the banner of Taiwan independence. For example, Huang Chao-tang and Hsu Shih-kai at the Tokyo University, Chen Nantien and Lo Fu-chuan at the Waseda University have now become DPP member students in Japan. They were activists at that time. During these years, they had to face the threat of deportation of the Japanese government at all times while criticizing the Kuomintang and promoting their ideals in Japan. Scenes of struggle repeatedly appear in their minds.

On the island of Taiwan, there were totally different feelings about Japan. Former DPP member Chiang Peng-chien, who is deeply interested in the Japanese culture, said that after the 28 February incident, Taiwanese of the older generation cherished the excellent legal system and the good and friendly atmosphere during the "Japanese era." However, under the rule of the Kuomintang authorities, they could only demonstrate their discontent by speaking Japanese and singing Japanese songs. On the other hand, just as Li Hong-hsi, a professor in the law school of the Taiwan University, had analyzed, after suffering from the war of resistance against Japanese aggression, mainlanders were forced to leave the mainland and come to Taiwan. They were originally against the Japanese. Meanwhile most of the Kuomintang elite who ruled the government had studied in the United States. Naturally this situation would affect the Taiwanese of the younger generation. [passage omitted]

Since the late 1960's, more and more students in Taiwan have gone to the United States to further their studies, while people who reside in Japan who participate in the movement for Taiwan independence have gradually shifted their main battlefield to the United States from Japan, because it is difficult for them to acquire permanent residence status. In 1970, the worldwide Taiwan Independence Alliance was officially established with its headquarters in New York. Zhang Tsan-hung who has returned to Taiwan to exercise leadership in the Taiwan Independence Movement; Chen Tang-shan, DPP member and magistrate of Tainan; DPP member and legislator Tsai Tung-jung; and Professor Peng Ming-min have assumed the post of chairmanship of the alliance at one time or another and shouldered the responsibility of carrying out international propaganda work in the United States. Later, the Formosan Association for Public Affairs (FAPA) specialized in handling parliamentary diplomacy, and various types of human rights organizations were established. More important is the fact that they have maintained close ties with party outsiders from Taiwan.

During the early years, developments of the opposition movement in Taiwan were reported via a special form to the people overseas by Chen Chu, who was secretary of former provincial assemblyman Kuo Yu-hsin and is now DPP national assembly member and director of the Bureau of Social Affairs in Taipei Municipality. Lawmaker Tsai Shih-yuan, who studied in Washington, D.C., for his doctorate in the 1970's said: "At that time, even a phone call to the Taiwan Independence Alliance was regarded as a crime by the Kuomintang. For the sake of security, Chen Chu tried to send out the nonperiodical publication "Newsletter" for party outsiders on tiny pieces of paper. The Chinese characters were so small that one had to use a magnifying glass to read them. They were as tiny as the head of a fly or even a mosquito."

Later Chen Chu came to the United States in June 1979. She joined forces with Chiou I-jen and Wu Nai-te, who

had helped Kuo Yu-hsin run elections. At that time, these two young men were studying at the University of Chicago. Chang Tsan-hung helped them to find temporary jobs. So the two sides knew each other quite well. Accompanied by Chiou I-jen, Chen Chu secretly talked with Chang Tsan-hung for one day and one night. According to Chang Tsan-hung's description, he and Chen Chu knew each other's name for a long time, and they felt like "old friends at the first meeting."

Besides Chen Chu, many members of the Formosa Periodical Office have also maintained close ties with people overseas. Shih Ming-te married an American girl (Eileen) to protect himself and received financial support for the Formosan Periodical from organizations which support Taiwan independence. In addition, former Chairman Yao Chia-wen and lawmakers Lu Hsiu-lien and Chang Chun-hung also often discussed the future of Taiwan with members of the Taiwan Independence Alliance when they studied in or visited the United States.

After the incident of the Formosa Island, nearly all the party outsiders were under arrest. When the news was broadcast, the various Taiwan independence organizations and associations of fellow Taiwanese in various localities came to the rescue and vigorous support was given them by the international community. Finally the Kuomintang regime had no choice but to hold an open military trial.

Naturally the disintegration of the Formosa faction is a big setback for the party outsiders. However, Hsu Hsin-liang, former Taoyuan County magistrate who lived in exile in the United States, immediately joined Chen Wan-chen, Chen Fang-ming, and others to publish the FORMOSA WEEKLY and spread the seeds of the opposition movement which originated in Taiwan to all parts of the world. He also maintained friendly relations with many U.S. congressional leaders such as Senator Kennedy, Senator Pell, Senator Mikowski and Representative Solarz. Later when Hsu Hsin-liang was arrested when he tried to burst into Taiwan, these diplomatic resources of his exerted pressure on the Kuomintang.

Actually the first official assault was launched by party outsiders in Taiwan headed by the "group of four" in the early 1980's. With encouragement from the family members of the Formosa Island victims and their defense lawyers, the party outsiders who were tempered by several elections were rejuvenated. Invited by the North America Taiwanese Professors Association (NATPA), the leading party outsiders—Legislator Kang Ning-hsiang and other two lawmakers, Huang Huang-hsiung and Chang Te-min, and Control Yuan member You Ching formed a group in June 1982 to visit the United States and Japan. They were welcomed by the local government officials and the people wherever they went. However, when they returned to Taiwan, they were harshly criticized by the young party outsiders during the campaign to "criticize Kang."

In the Democratic Progressive Party which has already become the "first viable opposition party," a department of foreign affairs has been set up within the party. Last year, Shih Ming-te appointed Legislator Chang Hsueh-cheng, who was a professor of the Department of Political Studies and director of the Institute of East Asian Studies at the Pennsylvania State University, as the party's representative in the United States. Meanwhile, Lu Hsiu-lien, another DPP leader on the Committee of Foreign Affairs in the Legislative Yuan had, not long ago, led a 12-member group to New York and Washington, D.C., to propagate Taiwan's experience in promoting democracy and economic and social developments. Members of the group also met with the representatives of UN member nations to talk about UN membership for Taiwan. Another member of the Committee for Foreign Affairs, Chang Chun-hung, not long ago went all the way to visit the White House to call on U.S. President Clinton and Vice President Gore. He even sent to his friends and relatives New Year cards with a picture of him shaking hands with Clinton.

Naturally, there is another "European faction" within the DPP. They include Taipei County magistrate You Ching, who holds a doctorate from Heidelberg University of Germany, and Legislator Lu Hsiu-i, who has a doctorate of political science from the University of Paris in France. They also include Chang Wei-chia and Chen Chao-nan who had worked hard in the early days to form the Association of Fellow Taiwanese and the Association of Fellow Students and other Taiwan Independence organizations in Europe. The former is now a leading cadre of the New Tide Faction, while the latter is an overseas Chinese elected lawmaker. Only their influence is now somewhat limited.

It seems that as far as the DPP is concerned, the charm of "Uncle Sam" is greater than that of "Momotaro" as well as members of the "Rhine Faction." [passage omitted]

#### \*New Justice Official Comments on Tasks

*95CM01941A Taipei HSIN HSIN WEN [THE JOURNALIST] in Chinese No 414, 18 Feb 95 pp 30-33*

[“Exclusive” interview with Liao Cheng-hao (1675 2973 6275), newly appointed director general of the Ministry of Justice Information Bureau: “Premier Lien Did Not Ask Me To Do Anything Special”; place and date not given]

[FBIS Translated Excerpt] [Passage omitted]

**HSIN HSIN WEN:** Just what was the decision-making process in your appointment as director general of Ministry of Justice Information Bureau [MJIB]?

**Liao Cheng-hao:** When Premier Lien notified me that I was to be MJIB director general, he did not ask that I do anything special. He asked only that I do a good job—these simple words and nothing more. It was not until the premier notified me that I became aware that a

change was to be made in the MJIB director. This happened only during the last several days. According to Minister of Justice Ma, they decided this matter only on the 28th of January. On the 28th, I was in England when Minister Ma gave me a telephone call. After I returned, we met. At that time, Minister Ma called me in for a brief chat. He told me only that MJIB Director General Wu Tung-ming [0702 2639 2494] was being assigned elsewhere, and that he welcomed me to the MJIB. He said nothing else. On my first day on the job after the Lunar New Year, Minister Ma held a news conference at which he formally announced this matter. Although I had spoken with Premier Lien about many other government matters before and after my visit to England, and on my first day on the job, I do not know how my individual appointment was decided. I was just notified, and that was all. But I believe my superiors certainly considered the matter fully before having me take over the job. This job is obviously a challenge and has real significance. I told my superiors that I would be happy to accept any instructions they had, and that I would bend every effort to carry them out.

**HSIN HSIN WEN:** Do you think that the reason the authorities asked you to assume the MJIB position was to entrust you with tasks that required your expertise in this regard?

**Liao:** My superiors considered the matter carefully. I am not at liberty to speculate. Nor did they tell me why they appointed me. However, my superiors know me pretty well. I have had a lot of contact with MJIB during the past several years. My first job with the Executive Yuan was advisor to the Rules Committee. I had to conduct liaison with every ministry to straighten out rules and regulations. Naturally, work on legal matters was one part of the work. I had a little contact with MJIB at that time. The second time was when I returned as head of the First Section in charge of internal affairs, legal matters, elections, labor, and local government. Responsibility for MJIB was also originally a main duty of the First Section. The third time was when I returned to become deputy secretary general. Naturally, my duties also included legal matters and investigations. Furthermore, I also had some affinity for the MJIB. I had been attending classes at the MJIB's training institute since 1975. I was a lawyer at that time; thus I was able to allocate my own time fairly easily. I often devoted mornings to four classes at Hsintien, and I attended them faithfully. It was not until later on, after I went to the Executive Yuan and was rather busy, that I stopped taking them, but I continued giving talks on special topics to investigation and management courses there. I saw the training center grow from frame to high rise buildings. For me, the MJIB was not an entirely strange place. It is mostly a law enforcement unit, and I had formerly passed the test for a judgeship. I had training to be a judge, and I had served as a lawyer. In Executive Yuan agencies, I had also always held positions that upheld the law. I felt that the MJIB suited me to a tee, and that I could do a good job there.

**HSIN HSIN WEN:** You might say that your becoming MJIB director bowled everyone over, because you do not have a background in the investigation system. When you were first notified about taking over this position, were you very surprised? Did you mention to Premier Lien and Minister Ma that you might run into certain difficulties in taking over this position?

**Liao:** I don't know why everyone supposes one has to come from a certain system in order to work in it. I have been placed in a surprising positions many times. For example, my first job as a civil servant was secretary to the director of the provincial land administration. At the time, there were about 1,000 people there, but the only one I knew was Yu Mao-ching [0151 5399 7088], the department chief. When I think about it now, I realize I was a stranger in a strange land; nevertheless, when I left after two and a half years, as my colleagues lined up to say good-bye, they were all crying. It was consoling to know I had done my very best. I was very much moved. My second government job was in the News Bureau. No one expected at that time either that someone who had studied law would end up as deputy director of the News Bureau. The premier at that time, Yu Kuo-hua [0205 0948 5478], and the former MJIB director, Shao Yuming [6730 3768 6900], wanted me to help out. I also felt a little surprised, but I still went there bravely. At that time, I did not know many people either, but for the past three years, I have worked happily in the News Bureau. Since I am not part of the investigation or intelligence and law enforcement system, why would anyone want me to go to MJIB? My superiors certainly also considered this question and felt that I was equal to the responsibility. I do not feel there will be any difficulties getting on with the job, or problems that cannot be overcome. I never raised with Premier Lien or Minister Ma the possibility of running into difficulties.

**HSIN HSIN WEN:** People say that the reason Premier Lien insisted that you go to the MJIB was that he wanted you to play a "stand-in" role for him. Do you agree with this?

**Liao:** I do not agree. Although I do not understand the entire process of how I was notified, I feel there is no need to misinterpret the premier's handling of affairs. If you were in contact with the premier, you would know that he is a broad-minded person, and he is also an extremely intelligent and farsighted person. I feel it was because he understands me and knows I am appropriate that he wanted me to do this job. He also expects I will do this job well, that I will be able to lead the MJIB well.

**HSIN HSIN WEN:** How did you gain Premier Lien's confidence? Will you tell us something about your beginnings?

**Liao:** We worked together and had a lot of contact at work in the Executive Yuan. I feel only that since I am a follower of the premier, I must do a good job of the things that are my responsibility, protect the premier, and let him administer and perform his duties to the

country and society so that the public will understand. Consequently, some people have been very curious during the past two years about why I have run back and forth contacting legislators constantly during Legislative Yuan interpolations, particularly under some fairly difficult and dangerous circumstances such as when I ran forward when Chen Wanzhen [7115 1238 4176] wielded a club. The confidential letter affair also had nothing to do with me, but the legislative departments wanted someone from the executive side to argue with. Later on, I went alone—a single person facing eight legislators. I bore the brunt of the entire confidential letter affair, but frankly this did not make much difference to me. No documents were issued in my name, nor did I agitate to hold this meeting, but I alone carried on for the sake of the Executive Yuan. Premier Lien is a schoolmate from Taiwan University Law School who graduated 10 classes ahead of me. When he was Minister of Communications, I was an advisor to the rules committee. He asked me to be an advisor at the Ministry of Communications, but my superior, Ho K'ai-ch'eng [5170 7030 6134], the head of the rules committee, would not release me at that time. During this 10-year period, we had contacts only on government matters. We have been closer during the past two years.

**HSIN HSIN WEN:** Minister Ma and bureau Director Wu have been under investigation for bribery for the past year or more. Not only has this aroused a great reaction in the media, but it has been a repeated aggravation for the Kuomintang. It has created very many obstacles as well for legislators who are registered Kuomintang members. Although the active investigation of Ma and Wu for bribery is applauded by the public, they are really under great pressure and harassment. After you take office, will you continue the bribery investigation, and what new approach will you take?

**Liao:** The MJIB is basically an enforcement unit. The country's and the government's policies must be carried out. In addition to eliminating graft and seizing drugs, checking on election bribery is one of its very important tasks. This is one of the MJIB's three main enforcement tasks today. I feel we must continue to do it effectively; however, conceptually, I rather dislike looking at problems only negatively. An example is saying we must arrest so many and deal with them severely. Arrests and punishments are very important, it is true. When there is proof, they should be arrested and dealt with, and they must be dealt with thoroughly. This basic principle is entirely correct. But this is entirely negative. It only treats the symptoms. I would rather cure the problem positively at its roots. In performing their duties, MJIB personnel must strictly uphold the provisions of the law. They may not cause difficulties for the public or for civil servants. They must guide the public. They must truly enforce the provisions of the law, playing a model role. They must both protect the law-abiding public and punish those who break the law. They must not allow the line between right and wrong, good and bad, the legal and the illegal to become blurred. Or to put it the other

way around, they must not permit those who abide by the law to suffer and those who break the law to benefit. As for checking on election bribery, the main orientation must be toward democracy and the rule of law and clean government. This will be done. Society has a deep revulsion against election bribery, and everyone has deep expectations. I feel that the candidates themselves do not really want bribed elections either. I am quite sure that was the case in the election of the speaker of the provincial assembly where there were no strings attached. After the election, people went to see the speaker bringing at most only some small token. Nowadays many representatives do not necessarily require that people be under any obligation to them. If they just like you or respect you, they may cast their vote for you. We must encourage this spirit. You must not suppose that candidates like to buy votes. They have come to realize that vote buying is like smoking opium. The more you smoke, the more you want, and the more money they spend the more is asked, but the return on their money is less and less. It used to be 70 percent, then 50 percent, and 30 percent. Today it may be less than 20 percent. So why do candidates vie with each other to buy votes? It is because they may feel that unless they do, they will not get elected. If they were made to feel they could be elected without buying votes, their ideas would change. Some members of the public say that "tipping" should be legalized. They say this is social justice. I say that society has no just justice. This is just corrupting all of society by garbing it in the cloak of justice. I feel that the high point of vote buying has passed. Many candidates cannot stand it, so maybe the present offers the best opportunity to get rid of it. There will be no lack of superb young people standing for election in the future, so maybe the atmosphere will change because of them.

**HSIN HSIN WEN:** Some people say that the bribery investigations of the past year or more amount to uprooting the Kuomintang. Have you considered that active investigation of bribery after you take office may result in a lot of pressure being put on you?

**Liao:** I think that bribery investigations are a task that government policy requires be carried out...

**HSIN HSIN WEN:** Sorry to interrupt you, but is this the consensus of all on the high level?

**Liao:** At least in the Ministry of Justice and in the Executive Yuan, this is an important policy. The MJIB itself carries out only this policy, and I also want to particularly emphasize that it will handle this matter according to the law, fairly and impartially. Where there is evidence, it will act, and it will certainly act fully. Under this principle, there is no selectivity or partiality in enforcing the law. Actually, under this principle, everyone will give support. Nor do I feel that I will face any pressures in the Legislative Yuan, so I do not know how people can misunderstand and suppose that bribery investigations have any special effect on the Kuomintang.

**HSIN HSIN WEN:** The public believes there were two main reasons MJIB Director Wu left office. One was the

case of "abandoning Huang and supporting Ch'en"; the other was a bribery investigation. But the record shows that 80 percent or more of people in MJIB support the New Party. In addition, among other things that President Li discussed with Wu Tung-ming when he called him in on 5 January was more than NT\$2 million [New Taiwan dollars] in small donations were found in a certain branch post office near the MJIB, all of them for the New Party. The purpose of my question is to understand what house clearing you will do after you go to MJIB.

Liao: I am completely in the dark about what you are talking about. You mentioned the record. In what unit was that?: Maybe my earlier remarks were not clear. In all the units in which I have served, I never considered cleaning house or retaliating against anyone. I only felt I wanted to change certain parts of them, work together with them, and even live with them, and perform my duties well. I also believe that so long as you stick to your post and do your job well, you are bound to get results. I am capable of regarding my work colleagues as friends. After I take office, there will be no personnel changes. Some people in MJIB suggested that I replace the chief secretary, the director of the confidential office, the secretary, and the general affairs section chief. For example, the director of the confidential office has already told me that he plans to request transfer so I can put someone in his position. But I still do not intend to make any changes. I intend only to take two of my office secretaries with me, and this is only to leave room for the deputy secretary who replaces me, Chang Chang-pang [1728 2490 6721], to make his own arrangements. Furthermore, I reminded these secretaries that they are not going to replace anyone, but will be in addition to the people already there so they can study. I want them to have time to audit some classes in the training institute the way I did. I never intended to take control of some people after I went to MJIB. As the director, my colleagues throughout it are my people. I have this attitude toward them, and I believe they will also have the same attitude toward me.

HSIN HSIN WEN: How about high-level people?

Liao: I do not intend to change any of them.

HSIN HSIN WEN: During three elections at the end of last year, Wu Tung-ming maintained the principle of administrative neutrality, saying he would not take part in the elections. After you take over at MJIB, what standpoint will you maintain in the election of legislators, national assemblymen, and the president?

Liao: Administrative neutrality is a principle that civil servants must maintain. The problem is that the administrative neutrality demarcation line is very blurred. The Control Yuan is currently drafting a "civil servant administrative neutrality law" for forwarding to the Legislative Yuan. Therefore, I hope that once the system has been set up, the limitations on whether civil servants may or may not take part in by-elections will be very clear so that we have something to follow. Once the

system has been set up, this will not be a matter of individual choice. With the development of party politics, every individual has the right to choose. I feel that any unnecessary limitation should be thoroughly reviewed. It is not that the two words "administrative neutrality" can solve every problem. I have found that no one today expresses the connotation of these words clearly. Given the slightest excuse, they accuse you of being administratively neutral or not administratively neutral. This is very unfair.

HSIN HSIN WEN: What will your new policy be?

Liao: Within 15 days after I take over, I will want a briefing from each department to find out what problems they have that require solution. Later on, I will go to all departments and outposts to see my colleagues.

After I take office, first of all, I hope that the MJIB will become "everyone's investigation bureau." I hope that the general public will understand it, and regard it as a pillar of strength for the protection of social stability and national security instead of rejecting it and misunderstanding it. Second, I hope it becomes a place that all good people like. I cannot satisfy evil people. If evil people hate the investigation bureau, I don't care. The important thing is to reform these evil people. Therefore, I feel the most important thing for MJIB is to operate according to law, including evidence collection or deciding on the need for transportation under escort. Everything must be done according to law. I want to especially require my colleagues to have public trust in order to be able to talk about public rights since this is a matter that has a bearing on human rights and public trust. I intend the MJIB to become a model for law enforcement agencies. In addition, I will require implementation of government policies, including the elimination of corruption, seizure of narcotics, the investigation of bribery, and prevention of major economic crimes, as well as prevention of Chinese Communist infiltration. My principle remains taking action when evidence permits and acting thoroughly. Nevertheless, I feel that this has a negative aspect. In order to cure problems at their source, including the elimination of corruption, narcotics, and election bribery, some education along with enforcement is necessary, not just making arrests. Second, I want my MJIB colleagues to value team spirit. Internally, I want my colleagues to strive for harmony, unity, mutual assistance, and cooperation. Everyone must share credit for all accomplishments. I also particularly want to work in cooperation with both the procuratorate and the policy and associated organizations. In the investigation of stocks and futures, for example, MJIB cannot train a group of people to be expert in these fields. We may have to ask for the cooperation of experts in the securities control commission. More broadly speaking, I hope that organizations, society, and everyone will jointly support the work of MJIB, and offer advice at any time. The power of society is inexhaustible.

**\*Article Criticizes Legislative Yuan**

**95CM0176A** *Taipei HSIN HSIN WEN [THE JOURNALIST] in Chinese No 412 & 413, 11 Feb 95 pp 54-57*

[Article by Ch'en Chien-hsun (7115 1696 0534): "This Group of LY Members Is Ever More Like the Comedian Chou Hsing-ch'ih"]

[FBIS Translated Excerpt] [passage omitted] From the perspective of its report card at the end of this term, the Legislative Yuan [LY] seems to have still had a pretty good term. In this term, the LY passed 69 bills, as well as completing its examination of 108 executive orders. In addition, it also passed a budget bill, an LY internal regulation, and another item (the "National Security Conference Organization Law" Supplemental Correction Procedures), as well as annulling three bills, to make "a signal contribution" that was unprecedented for second-term LY members.

But this "signal contribution" was hard for LY members to piece together, with their best form of "praise" being probably to not fully explore the process that produced it, to avoid its "groupings." This was because of the 69 bills passed, 22 were passed during the 31st session on 29 December 1994, with another 11 passed during the 39th session on 17 January 1995, or the final session before the end of the term, making the number of bills passed on these two days nearly one-half of those passed during the whole term.

In addition, as to the executive orders, examination was completed on 26 of them at the 24th session on 13 December 1994, with examination completed on another 33 at the 29th session on 23 December 1994, making the combined volume for those two days also more than one-half that of the whole term. While these figures mean that we, of course, must greatly admire the LY members for their "contributions" during those four days, it also leaves us unable to understand what these LY members were actually doing during the rest of the four-month-plus term.

Moreover, in this "signal contribution," only 15 bills were newly drawn up ones, with all of the other 54 being partial enlargements or revisions of existing laws, and even 26 of those being merely revisions of single articles in those laws. So it can be seen from this perspective that the sense of better procedural efficiency among all LY members at the end of this term was certainly not due to satisfaction at having met their goals, but rather merely over this term having been just a bit better than previous worse ones.

In fact, without using the direct proof of numbers to evaluate the political performance of LY members, but rather looking merely at the approach of these LY members when examining these bills, it is also very hard to be confident about the quality of the laws they did pass. While meeting, deliberating, and voting are of course the duties of LY members, by the time the term

was about to end, the ruling and opposition parties had all reached a consensus that they should rush the work to improve their grades. As to certain bills in less dispute, all at the ruling-opposition consultation decided that they had been discussed well and needed no more discussion, turning the procedural-group personnel into a congress of legal recitation, and leaving LY President Liu Sung-fan or Vice President Wang Chin-p'ing with nothing to do but call out: "Any objections? Without objection, passed."

When encountering the more disputed bills, LY member actions were in fact still the same as before, consisting of bickering and boycotts. But as there was less physical action in the LY this term, the LY members held that this was an improvement when evaluating this term at its end. All voting was normal, with the use of "physical speech" avoided. While such behavior in the National Assembly has of course been called for steadily by outsiders for many years, many LY members essentially came to the floor only when the voting bell rang. They appeared on the floor when they heard the voting bell ringing, even more like a voting brigade than the old LY members. No wonder that the quality of such bills passed is in some doubt. On the afternoon of 17 January 1995 when the term was ending, while a voting bell on the third floor corridor of the Ch'ingtao Hall in the LY research room rang very loudly for a long time, several LY assistants still insisted that they did not hear it. One such LY assistant stated that since attending meetings was, of course, a duty for LY members, there was no reason for them to have to be warned by a bell to go and vote.

While such a seemingly fearless political culture in the LY is deep-rooted, still extending to every LY nook and cranny, so hard to change, the two new regulations at the start of this term—the new regulation on general inquiries and the National Affairs Forum—became even more of a joke. As the new regulations on general inquiries gave LY members the opportunity for a dialog with EY officials, particularly EY President Lien Chan, consisting of four questions and answers each, if the LY members fully prepared their questions in advance, and if they were logical and consistent, that was very likely to force Lien Chan to go to the floor and answer them personally. So some LY members took whether they could force Lien Chan to the floor four times as the criterion for whether their general inquiries had "merit." [passage omitted]

As to the National Affairs Forum—this institution that was a collective "creation" of LY members—while many LY members told reporters that they believed that such an elegant institutionalized LY form was "quite ludicrous" and "not done anywhere else in the world," they still all took sharp advantage of this one hour a day to show their concern for national affairs. After being in effect for one term, while the National Affairs Forum substance seemed quite varied, a careful investigation shows that it was actually nothing more than reports by LY members gleaned from reading the morning newspapers. Moreover, some of the speeches did not even

involve reports gleaned from the newspapers, being essentially a rehash on the floor of the views in newspaper editorials. Liu Sung-fan called the concern for national affairs of this group of "great statesmen" so "great." [passage omitted]

Even when LY members were not talking about national affairs in high-sounding tones, their speeches still did not necessarily have any impact on the legislative agenda per se. At one session to examine one-by-one the draft regulations on the Central Health Insurance Bureau's organization, what both ruling and opposition LY members talked about all morning had nothing to do with the substance of the draft, being all directed rather at national health insurance premium rates. President Liu Sung-fan finally stated impatiently that "as these draft regulations on the Central Health Insurance Bureau's organization are in 29 articles, if 20 legislators register to talk on each article, with the substance of none of their statements having anything to do with the regulations on the Health Insurance Bureau's organization, that would be a waste of six legislative sessions." Liu Sung-fan could not keep himself from asking: "Are we all actually legislators or children?"

In addition to the two new institutions per se that the LY put into effect during this term, or the National Affairs Forum and the new regulations on general inquiries, this LY term also saw several brilliant stimulants that were "new information." When the case of Hung-Fu Securities completing a business transaction in violation of contract occurred, Investigation Bureau officials went that evening to search the home of LY member Weng Ta-ming [5040 1129 6900], whereupon a ticket of LY members rushed to Weng Ta-ming's home "out of concern for their friend," which was one of the major acts in the performance of LY members this term.

In this act, while Weng Ta-ming played the leading role, as the scene developed, his brilliance was gradually overshadowed by his other LY colleagues. Democratic Progressive Party nonaligned LY member Hou Hai-hsiung [0186 3189 3574] lost his party membership due to this case, and is no longer an LY member. The New Party's [NP] Ch'en Kuei-miao [7115 4097 8693] also left the NP for a time due to suspicions and a strong protest by his party comrades over this case. But the most intense display was by Yeh Hsien-hsiu [0673 2009 0208], a member of the nonpartisan alliance along with Weng Ta-ming, who openly cut his arm with a small knife on the LY floor in an exhibition of will, with his blood splashing on the National Assembly tableau making a deep impression.

As to this case, in addition to Weng Ta-ming being sentenced to two years and two months in prison, which is still being appealed, the other LY members who went to court because of this case, Cheng Feng-shih [6774 6646 2514], Yeh Hsien-hsiu, and Hou Hai-hsiung, were eventually all not prosecuted or punished due to lack of evidence. But this case forced many LY members to resign from their nominal concurrent positions in the Hua-Lung Enterprise Group, as well as making outsiders pay more attention to the prevalence of the exchange of power for money in the LY, which could be considered a lesson taught to LY members by this term.

In addition to money-power politics, while most syndicate politics were staged in local legislatures, Cheng T'ai-chi [6774 1132 0679], P'ingtung County deputy assembly leader, was involved in a case of syndicate armed attack, after which LY Member Ts'ai Shih-yuan [5591 1709 3220] mentioned his name in the National Assembly Hall. While this set off a whirlwind of attacks on "rule by syndicate," Ts'ai Shih-yuan claimed that Ts'eng Yung-ch'u'an [2582 3057 2938] and Hua Chia-chih [5478 0502 1807], Kuomintang P'ingtung County LY members, were involved in Cheng T'ai-chi's case, bringing a strong counterattack from the two, who also sued Ts'ai Shih-yuan. [passage omitted]

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18 April 95

